

CITY OF CUPERTINO

GENERAL PLAN AMENDMENT

1-GPA-80

INSTITUTE OF GOVERNMENTAL
STUDIES

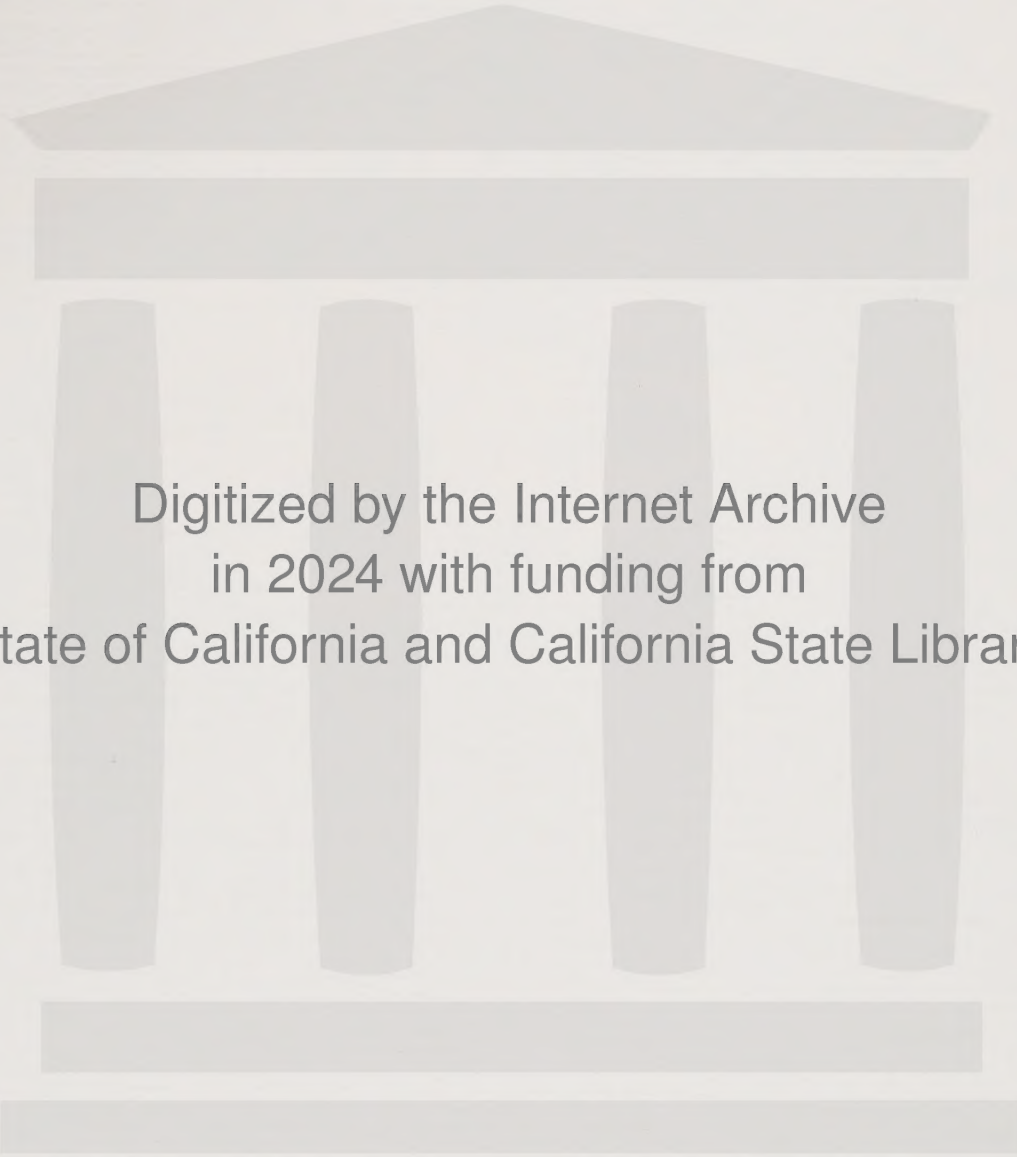
JUN 16 1983

UNIVERSITY OF CALIFORNIA

PHASE II

BACKGROUND REPORT /DEIR

MAY 23, 1983



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Background
report/DEIR
Phase 2

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INTRODUCTION

The review process for the General Plan involves two phases. The purpose of Phase One was to simultaneously evaluate four combined Land Use and Transportation Plans and to select a preferred plan. The First Phase evaluation factors were related to community character, traffic generation, fiscal balance, housing balance and the provision of community services. In the context of the Second Phase report, the Phase One Preferred Plan is heretofore known as the Preliminary General Plan or Preliminary Plan.

The purpose of the Second Phase report is to complete the evaluation process by assessing the impacts of the Preliminary Plan on air quality, noise, energy, flora and fauna, and water quality. The impact of the Preliminary Plan on the technical issues previously assessed in Phase One is completed where necessary.

The Phase One and Phase Two reports function as a Background Report and Draft Environmental Impact Report for the General Plan Amendment. A latter section of the Phase Two report identifies specific sections of the Background Report which satisfy the content requirements of the California Environmental Quality Act. Several of the policies contained within the General Plan Amendment, which is a separate document, are mitigation measures and will be identified as such.

The Environmental Quality Act requires that the City evaluate alternatives to a proposed project which, in this case, is the General Plan Amendment. The project alternative is the retention of the existing General Plan. Accordingly, the Phase Two report simultaneously evaluates environmental impacts of the Preliminary Plan in relationship to the existing General Plan.

DESCRIPTION OF PRELIMINARY AND EXISTING GENERAL PLANS

Figure 1 quantifies the current levels of growth and projected floor area build-out levels for the Existing and Preliminary General Plan options. The figures identified on Figure 1 are based upon specific assumptions relative to land use type and intensity. Each land use type has a different Floor Area Ratio. Accordingly, the ultimate floor area in the City will vary depending upon the final land uses selected by individual property owners developing in mixed use zones. In addition to uncertainties regarding the future land use mix, the methodology used to project future square footages is not precise. For example, a 1% error on a base of 12.8 million is 128,000 sq. ft.

The revised Existing Plan translates to a build-out figure of 11.7 million sq. ft. of floor area comprised of commercial, office and industrial space. The former Existing Plan (First Phase Plan) projected a build-out of approximately 10.7 million sq. ft. of floor area. The increased projection is explained by land use changes approved subsequent to the original projection and a change in assumptions. Other than the additional building area, the revised Existing Plan used in the Phase Two report does not differ from the original Existing Plan.

The Preliminary Plan translates to approximately 12.8 million sq. ft. of commercial, office and industrial floor space. Referring to Table 1 of the First Phase report, the Plan's building area is slightly more than mid-point on the intensity scale between the "Existing" and "Intermediate" Plans evaluated in the Phase One report.

LAND USE SUMMARY

| | EXISTING DEVELOPMENT JANUARY 1, 1983 | | | FUTURE DEVELOPMENT BASED UPON EXISTING GENERAL PLAN | | FUTURE DEVELOPMENT BASED UPON CITY COUNCIL'S PRELIMINARY PLAN | |
|-----------------------|---|---------------------------|--------------------|--|-------------------|---|------------------------|
| | OUTSIDE CORE STUDY AREA | INSIDE CORE STUDY AREA | TOTAL DEVELOPED | NEW DEVELOPMENT | TOTAL BUILDOUT | NEW DEVELOPMENT | TOTAL BUILDOUT |
| COMMERCIAL SQ. FT. | 1,031,500 | 2,038,000 | 3,069,500 | 336,200 | 3,405,700 | 718,800 | 3,788,300 ¹ |
| OFFICE SQ. FT. | 430,600 | 420,700 | 851,300 | 1,612,900 | 2,464,200 | 2,165,900 | 3,017,200 |
| INDUSTRIAL SQ. FT. | 723,200 | 3,648,000 | 4,371,200 | 1,475,600 | 5,846,800 | 1,657,300 | 6,028,500 |
| TOTALS | 2,185,300 | 6,106,700 | 8,292,000 | 3,424,700 | 11,716,700 | 4,542,000 | 12,834,000 |

1. Figures do not include Vallco and Town Center Hotels.

Vallco Hotel: includes 1,000 rooms, restaurants and lounges, meeting rooms, a banquet room and ancillary commercial space.

Town Center Hotel: includes 240 rooms, restaurant and meeting rooms.

FIGURE 1

Figure 1 describes the projected commercial, office and industrial building square footages. The Existing and Preliminary General Plans are identical in terms of the projection of residential growth. Both utilize the land use policies embodied in the City's Existing Plan. The projected residential growth is described in Table 1-1 of the Phase One report.

Evaluation of Preliminary and Existing General Plan Options

In general, the fundamental land use planning philosophy of the Existing and Preliminary Plans is the same. The land use policies embodied in the Preliminary Plan are intended to tighten current General Plan policy. The current General Plan permits multi-story buildings; however, does not specify height limits. The current General Plan limits intensity in the Town Center, Vallco Park and North De Anza Boulevard/Stevens Creek Boulevard trip end controlled areas; however, there is no control over commercial, office, or industrial areas in the balance of the community. Additionally, a review of the 16 one-way trip end policy demonstrated that the City could experience considerable growth as a result of manipulating the trip end standard. For example, the Trip End Manual permitted property owners to obtain trip end credits for land use activities which were in place in 1973, the date the Core Area General Plan was adopted. A service station could conceivably obtain a trip allocation equaling 50 trip ends per acre. If the trip end policy is not altered to maintain a 16 trip end base for all properties and if all property owners not presently constrained were allowed to intensify to reflect current market trends, conceivably the Existing Plan could have resulted in more future growth than the Preliminary Plan. The current growth projection for the Existing Plan assumes that the Trip End Manual will be modified and that a Floor Area Ratio will be imposed for all properties not constrained by a trip end policy.

A brief description of specific differences between the two plans and probable environmental, social and economic impacts is summarized in the following paragraphs.

Land Use/Community Character

The Land Use/Community Character table identifies significant differences between the Existing and Preliminary Plans regarding land use and urban design policy.

LAND USE/COMMUNITY CHARACTER SUMMARY TABLE

| <u>LAND USE FACTOR</u> | <u>EXISTING PLAN(REV.)</u> | <u>PRELIMINARY PLAN</u> |
|------------------------|--|--|
| Building Intensity | 11.7 mil. sq.ft. non-res. build-out. 19,600 dwellings. Land use intensity is regulated by the 16 one-way trip standard on Stevens Creek Blvd. east of De Anza Blvd. Town Center and North De Anza Blvd. Vallco Park intensity is controlled by the Vallco Park Construction Phasing Memo. The balance of the community is unregulated. | 12.8 mil. sq.ft. non-res. build-out. 19,600 dwellings. Land use intensity for all properties is regulated by 16 trip end standard (De Anza Blvd., Stevens Creek Blvd., Town Center) or Floor Area Ratio (balance of community) |

LAND USE/COMMUNITY CHARACTER SUMMARY TABLE (continued)

| <u>LAND USE FACTOR</u> | <u>EXISTING PLAN (REV.)</u> | <u>PRELIMINARY PLAN</u> |
|------------------------|---|---|
| Land Use | Commercial service center for community and sub-region. Light industrial manufacturing. Late evening recreation activities encouraged throughout the Core Area. | A corporate office and financial center for sub-region. Research and development for large firms and incubator space. Regional shopping. Late evening activities discouraged along Stevens Creek Corridor with exception of Crossroads, Town Center and Vallco Park. |
| Urban Form | Vallco Park will be a regional focal point. Town Center provides City identity and functions as commercial center Stevens Creek Blvd. (east of De Anza) and North De Anza Blvd. have 50 ft. heavy landscaped setbacks. The Crossroads area has reduced building setbacks and less dense landscaping materials. | The entire inner Core Area functions as a City focal point for region. Town Center is high intensity node; however, does not function as City's commercial center. Streetscape standards are basically the same. |
| Building Height | Multi-story structures are permitted in Vallco Park, Town Center and North De Anza Blvd. Heights not specified. | Specific standards. Vallco Park and Town Center limited to 8 stories, hotel excluded. Stevens Creek Blvd. limited to 2 or 3 stories. North De Anza Blvd. limited to 4 stories. |

Possible Adverse Economic, Social and Environmental Impacts and Mitigation Measures

The potential environmental impacts associated with the General Plan Amendment are measured based upon differences between the project and the existing setting and the differences between the Existing Plan alternative (project) and the proposed plan alternative.

The vast majority of the Urban Service Area has been urbanized. Accordingly, impacts associated with the conversion of the remaining vacant and agricultural land to urban uses is relatively slight. In 1977, the year the last comprehensive land use survey was taken, there were approximately 427 acres of agricultural land left in the Urban Service Area. Today, there is approximately 225 acres of agricultural land. The acreage figures do not include the land held by the Catholic Church east of Foothill Boulevard. Said land is held in reserve for the Gates of Heaven Cemetery and is periodically used for hay growing.

Potential adverse impacts associated with land use changes can be categorized into those which are directly associated with the land use changes and those which are indirectly associated. The indirect impacts such as the effect of land use changes on transportation, housing, community servicing, etc. will be addressed in later sections of this document.

Possible Impacts

1. The Existing and Preliminary Plan will result in the conversion of approximately 225 acres of land from agricultural use to an urban use. The issue of intensity raised by either plan is not material to the issue of converting agricultural land.

Proposed Mitigation Measures

It is not feasible to mitigate the conversion of agricultural land to urban uses. The environmental impact is irreversible.

2. The increased intensity will permit expansion of the Regional Shopping Center and shift the site of a major hotel from Pruneridge Avenue to Stevens Creek Boulevard. The combined activities will increase late evening activities within the community which could increase police costs and late evening noise levels which could be disruptive to surrounding residential neighborhoods. The new uses could be a catalyst for continued expansion of late evening entertainment activities.

Proposed Mitigation Measures

The City should restrict the number and location of late evening entertainment activities in areas which are in close proximity to residential neighborhoods.

Housing

As stated previously, the General Plan Amendment does not involve reclassification of land but rather allows greater land use intensification in the Town Center and Vallco Park Planning Areas. This intensification will allow additional employment, although it could be argued that had the City allowed the Existing General Plan to remain intact, intensification of areas not previously controlled could very well have equaled the employment intensity of the amended General Plan. With this fact aside, the proposed land use change will hypothetically increase employment opportunities and, thus, affect housing policy.

The Accumulative Plan will result in a projected employment of about 48,500 jobs which is approximately 4,800 more jobs than the 43,670 jobs projected for the Existing Plan. The City's present employment is approximately 30,000 jobs. Table 1 describes a jobs/housing ratio for the present setting and projected build-out of the Existing and Preliminary General Plans. The identical 124 jobs/housing ratio for the present employment and Existing Plan is coincidental. Although employment increases from 30,000 to 43,600, the number of housing units also increases. Equally important, the number of employed residents per household will increase.

The First Phase Background Report discussed the implication of the employment growth on housing in great detail. The Phase One Report makes it clear that the jobs/housing ratio analysis is a crude, quantitative indicator of housing/unemployment balance. It does not address affordability. The Phase One Report concluded that the jobs/housing balance issue is an inappropriate tool to

TABLE 1
1990 BUILDOUT EMPLOYMENT
AND JOBS/HOUSING RATIOS
(Urban Service Area)

| | Present Employment 1/1/83 | Existing Plan (Revised) Employment | Preliminary Plan Employment |
|-----------------------|---------------------------------|--|-----------------------------------|
| COMMERCIAL | 6,139 | 6,811 | 8,476 |
| OFFICE | 3,746 | 10,842 | 13,276 |
| INDUSTRIAL | 17,485 | 23,387 | 24,114 |
| OTHER | 2,633 | 2,633 | 2,633 |
| TOTAL | 30,003 | 43,673 | 48,499 |
| JOBS/HOUSING RATIO | 1.24 | 1.24 | 1.37 |

Calculations for jobs/housing ratios:

Existing 30,003 employees ÷ 1.5 employee/household = 20,002 employees

Setting 20,002 employees ÷ 16,100 homes = 1.24 jobs/housing ratio

Existing 43,673 employees ÷ 1.8 employees/household = 24,263 employees
Plan(Rev.) 24,263 employees ÷ 19,610 homes = 1.24 jobs/housing ratio

Preliminary 48,499 employees ÷ 1.8 employees/household = 26,944 employees
Plan 26,869 employees ÷ 19,610 homes = 1.37 jobs/housing ratio

- NOTES: 1. "Other" employees category is comprised of 1,933 school employees and 700 Kaiser Permanente employees.
2. The methodology for employment and jobs/housing ratio calculations is described in the Phase One Background Report (Beginning on Page 3-5).
3. The change in the employee/household factor from 1.5 to 1.8 is based upon data contained in a document prepared by the Santa Clara County Manufacturing Group entitled "Vacant Land In Santa Clara County: Implications for Job Growth and Housing in the 1980's".

analyze housing need on a local basis. The approach should be used in a regional context. The Phase One Report goes on to state that the State's Housing Element does not require a literal jobs/housing balance, which, in Cupertino's case, would require a drastic change in a land use plan that has been developed over a 20 year period.

HOUSING SUMMARY TABLE

| <u>HOUSING</u> | <u>EXISTING PLAN(REV.)</u> | <u>PRELIMINARY PLAN</u> |
|------------------------|---|--|
| Jobs/Housing Balance | 1.2 to 1 Ratio | 1.37 to 1 Ratio |
| BMR | 10% of units in projects greater than 10 units total and six units per gross acre. Developer commitment based upon financial feasibility for buyer. | Same as existing except total unit requirement may differ. Developer commitment based upon financial feasibility for builder. Estimate 160 total units with financial participation by non-residential developers. |
| Condominium Conversion | Cannot convert if vacancy rate is less than 5%. | May consider conversion if vacancy rate is less than 5%. Conversions require a 2/3 vote of approval by tenants based upon secret ballot. |
| Second Units | Does not authorize second units. | Authorizes second units. |

Possible Adverse Social, Economic and Environmental Impacts and Mitigation Measures

Possible Impacts

1. The Preliminary Plan will result in employment growth approximating 4,800 jobs beyond the projected level of employment for the Existing General Plan and approximately 18,500 jobs beyond 1983 employment level. Future residential dwelling unit growth will expand from approximately 16,100 dwellings to approximately 19,600 dwellings.

Proposed Mitigation Measures

The General Plan was amended in 1978 to provide for high density (20 to 35 units per acre) developments within the Core Area of the community. Said zoning actions will result in approximately 1,000 additional dwellings. It is impractical and politically infeasible to increase densities further or extend high density zoning districts into infill parcels throughout single-family residential areas. However, new General Plan policy does provide incentives to create mixed use commercial, industrial and residential projects. The policies will enable a developer to add residential units without penalty in terms of permitted floor area ratios. In terms of the affordability issue, the Below Market Rate Housing Program Policy Manual will be amended to require non-residential property owners to financially participate to help offset costs experienced by

residential developers in the Below Market Rate Housing Program.

Circulation Element

The Circulation Element of the Preliminary Plan significantly changes Existing General Plan policy and the other plans that were assessed in the Phase One Report. The most significant changes are as follows:

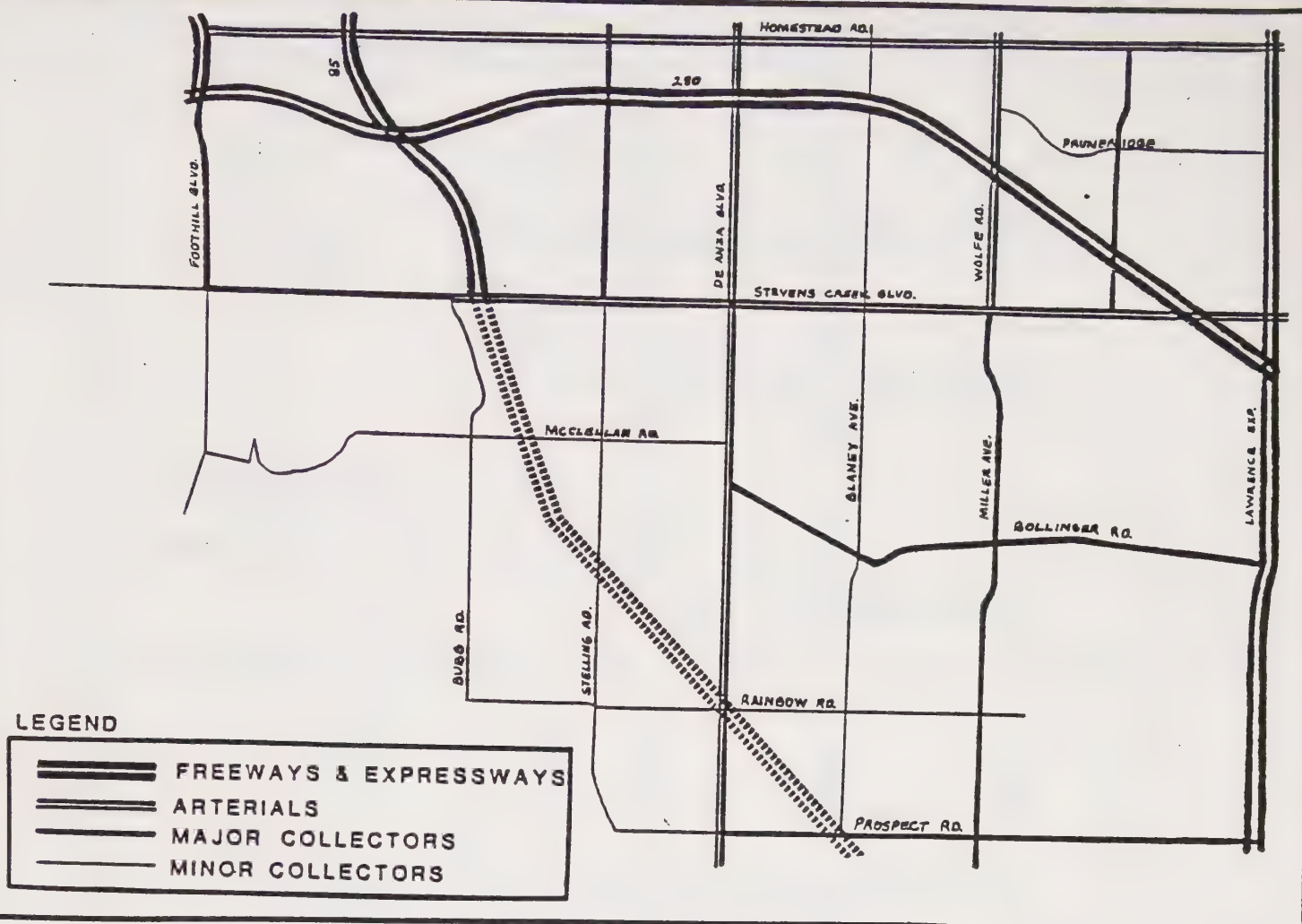
1. The General Plan policy re-affirms a community goal of maintaining a regional transportation corridor in the 85 right of way and yet recognizes that the intensity of the City's Land Use Plan must be based upon an assumption that improvements will not be built within the 85 Corridor in the near future.
2. Stelling Road south of Stevens Creek Boulevard and McClellan Road are classified as minor collectors. Commute traffic will be shifted to other north/south arterials.
3. The Plan contains more detailed position with regard to protection of residential neighborhoods from commute traffic.
4. The Plan contains a financial mechanism to ensure that the roadways will be built as development occurs and that costs will be borne by the development community in an equitable fashion.

Figure 2 represents the circulation system for the Preliminary Plan. Figure 3 identifies the ADT and peak hour trips on the street network for the Existing Plan and the Preliminary Plan and Figure 4 identifies the improvements necessary to maintain the level of service D or better on the street system. Figure additionally identifies specific improvements and their costs.

A comparison of the traffic volumes for the Existing Plan and Preliminary Plan identified on Figure 3 demonstrates the effect of shifting commuter traffic from Stelling and McClellan Roads to De Anza Boulevard and, to a lesser extent, Wolfe Road. Figure 4 identifies the resultant level of service indicators and the improvements necessary to implement the Circulation System Plan. The exact technique to accomplish the shift of traffic from Stelling and McClellan Roads to other streets has not been identified. The City is currently (May 1983) meeting with representatives from affected Stelling Road neighborhoods to analyze possible techniques to discourage traffic on Stelling Road.

The Planning Commission and the City Council held hearings immediately following the tentative approval of the Preliminary Plan regarding the initiation of a road tax to fund improvements consistent with Figure 4. Although the public hearing process has not been completed, there is tentative agreement to require all non-residential developers pay approximately \$1.00 per square foot of building space and that residential developers pay roughly \$240 per unit to fund the improvements listed on Figure 4. The cost factors for the residential and non-residential components were based upon traffic generation factors. The Planning Commission and City Council determined that the approach of taxing based upon a system-wide plan is more equitable than the present approach of requiring developers located in close proximity to major developments to directly install improvements in conjunction with the construction of a specific project.

PRIMARY CIRCULATION PLAN



THE NEW WAY

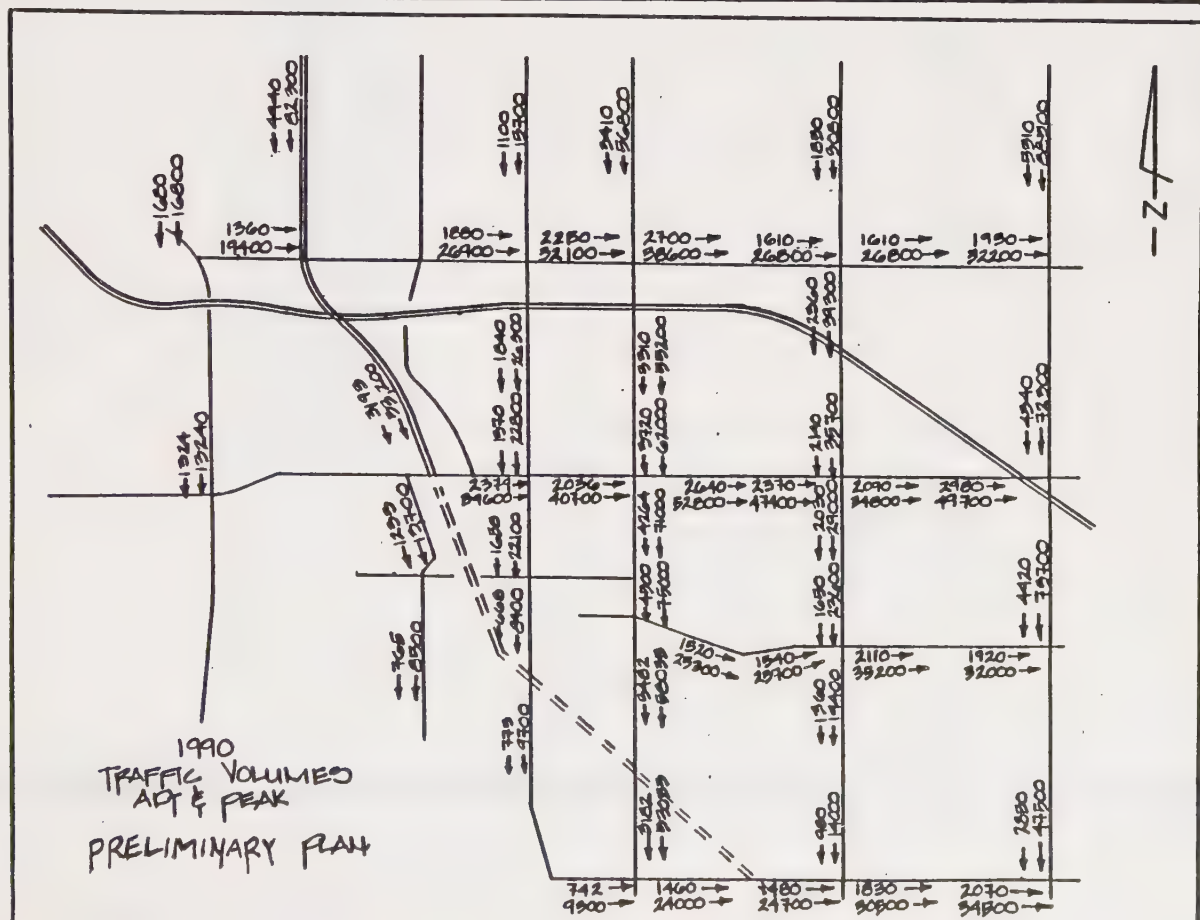
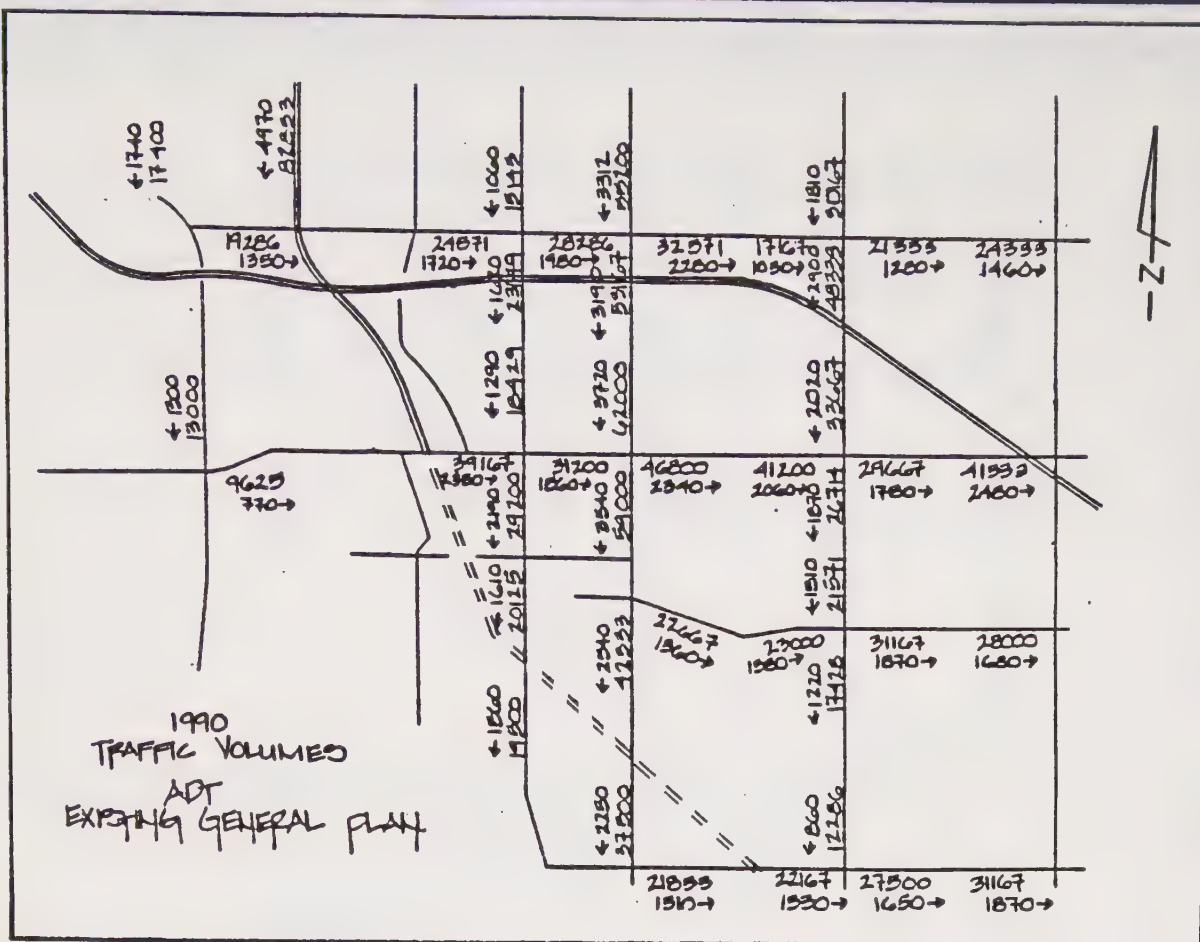
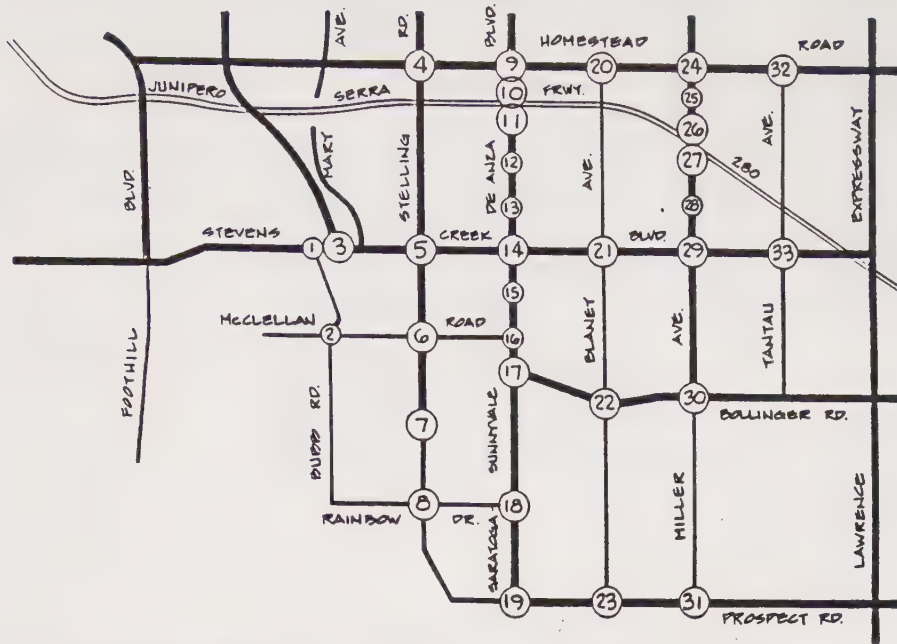


FIGURE 3

PRELIMINARY PLAN: LEVEL OF SERVICE & IMPROVEMENT COSTS



| PRELIMINARY PLAN | | | | |
|-------------------------------------|------------------|---------------|------------------------------------|-----------|
| INTERSECTIONS | 1979/80 LEVEL | 1990 LEVEL | IMPROVEMENT | COST |
| 1. STEVENS CREEK/BUBB | | | | |
| 2. MCCLELLAN/BUBB | | | | |
| 3. STEVENS CREEK/85 | B- | D+ | | |
| 4. STELLING/HOMESTEAD | E- | D- | 2 LTO N/B to W/B | 96,000 |
| 5. STELLING/STEVENS CREEK | D- | C- | 2 LTO W/B to S/B RTO E/B to S/B | 325,000 |
| 6. STELLING/MCCLELLAN | C | | RTO S/B to W/B | 72,000 |
| 7. STELLING/85 | | | | |
| 8. STELLING/RAINBOW | C | C+ | | |
| 9. DEANZA/HOMESTEAD | E- | D- | 2 LTO W/B to S/B 4 Lanes S/B | 370,000 |
| 10. DEANZA/280 (NORTH) | C+ | C- | | |
| 11. DEANZA/280 (SOUTH) | D- | C | 3 Lanes Thru N/B LTO Lane N/d | 400,000 |
| 12. DEANZA/MARIANI | | | | |
| 13. DEANZA/LAZAROE | | | | |
| 14. DEANZA/STEVENS CREEK | E+ | D- | 2 LTO W/B to S/B 4 Lanes Thru S/B | 1,300,000 |
| 15. DEANZA/RODRIGUES | | | | |
| 16. DEANZA/MCCLELLAN | | | | |
| 17. DEANZA/BOLLINGER | D- | D- | 3 Lanes Thru S/B 2 LTO S/B to E/B | 100,000 |
| 18. SARA/SVALE/RAINBOW | | | | |
| 19. SARA/SVALE/PROSPECT | C | C- | 2 LTO S/B to E/B 3 Lanes Thru S/B | 185,000 |
| 20. BLANEY/HOMESTEAD | | | | |
| 21. BLANEY/STEVENS CREEK | | | | |
| 22. BLANEY/BOLLINGER | | | | |
| 23. BLANEY/PROSPECT | | | | |
| 24. WOLFE/HOMESTEAD | C | C- | 3 Lanes Thru S/B | 50,000 |
| 25. WOLFE/PRUNERIDGE | | | | |
| 26. WOLFE/280 (NORTH) | A- | B+ | | |
| 27. WOLFE/280 (SOUTH) | A- | B+ | | |
| 28. WOLFE/VALLCO PARKWAY | | | | |
| 29. WOLFE/STEVENS CREEK | D+ | D+ | 2 LTO W/B to S/B RTO E/B to S/B | 325,000 |
| 30. MILLER/BOLLINGER | C+ | C- | 2 LTO S/B to E/B | 55,000 |
| 31. MILLER/PROSPECT | C | D+ | | |
| 32. HOMESTEAD/TANTAU | | | | |
| 33. STEVENS CREEK/TANTAU | | | | |
| | | | SUB-TOTAL | 3,276,000 |
| * STEVENS CREEK/85 | B- | B | 3 Lanes Thru E/B, 1 LTO E/B to N/B | 25,000 |
| | | | SUB-TOTAL | 25,000 |
| ENGINEERING AND CONTINGENCIES - 22% | | | SUB-TOTAL | 772,000 |
| * Maintain Current Level | | | TOTAL | 4,000,000 |

FIGURE 4

CIRCULATION SUMMARY TABLE

| | <u>EXISTING PLAN(REV.)</u> | <u>PRELIMINARY PLAN</u> |
|--------------------------------------|---|---|
| Traffic Volumes | Traffic volumes increase proportionally on total street network. | Traffic volumes decrease on Stelling and McClellan Rds. Traffic is shifted to other north/south arterials. |
| Intersection Level of Service Levels | New improvements will enable City to generally maintain present intersection service levels with new land use growth. | Additional improvements enable the City to maintain similar service levels on Citywide basis. |
| Funding Mechanism | Individual developers owning property in close proximity to "off-site" improvement funded project. | A road tax system is used to require all property owners to fund system-wide road improvement plan. Owner's cost is based upon project traffic generation factor. |

Possible Adverse Economic, Social and Environmental Impacts and Mitigation Measures

The use of private automobiles has great potential for creating adverse impacts on the environment and exacting high economic costs to individuals within the community and to their government in terms of constructing and maintaining traffic improvement facilities.

Possible Impacts

The Existing and Preliminary Plans will result in additional land use intensity and, therefore, additional traffic generation within the community. The increased traffic generation will not raise noise levels above perceptible levels nor will it increase air pollution above the State and regional standards. However, the goal to reduce the number of vehicular trips in the community and make the circulation system as efficient as possible for remaining trips is highly desirable.

Proposed Mitigation Measures

The Preliminary Plan contains a number of policies which will mitigate the economic and environmental problems associated with increased traffic growth. The policies are as follows:

1. A bus transfer station will be constructed within Vallco Park to make transfers between various lines more effective and, therefore, the transit system more attractive for bus riders.
2. The physical environment of Stevens Creek Boulevard will be more attractive for bus transit users by virtue of shaded sidewalks, the placement of buildings in closer proximity to the street and the provision of bus duck-outs and shelters in key locations.
3. The City will re-institute its Traffic Management Committee to study the feasibility of jitney services between Town Center and Vallco Park.

4. Traffic Management Plans will be adopted and implemented to isolate residential neighborhoods from through trips and commercial trips.
5. Non-residential developers will be permitted to construct residential mixed use developments without penalizing established non-residential building limitations.
6. The City will maintain and enhance its design policies which minimize curb cuts and require consolidation of properties to better channel traffic and make roadways more efficient.
7. The City will adopt enabling legislation to create a tax or other road financing mechanism to fund roadways in a timely and equitable fashion commensurate with development.

Market Feasibility/Fiscal Impact

Alternate build-out options of the General Plan raise questions relating to their market feasibility and fiscal impacts. Market feasibility is an important factor to avoid land use types which will likely result in vacant parcels or buildings for long periods of time. It is also important to balance the land use types to ensure that municipal revenues cover the cost of providing services to new development.

Cupertino has consistently advocated a mixed community of housing, industrial and commercial land uses to ensure a dependable tax base. The present healthy flow of revenue is directly related to the proportion of commercial land use in the community. This mixture of land uses and conservative financial attitude has ensured a positive balance of revenues and a high level of public service to the residents of the community.

A mix of land use types will have a major impact on expected revenues from new development. The City's calculations demonstrate that residential development clearly does not cover the cost of municipal services while industrial and office development appears to roughly break even, and commercial and lodging facilities bring in a substantial surplus of revenues over the cost of providing services.

Evaluation of Preliminary and Existing General Plan Options

The major difference between the Existing General Plan and the Preliminary General Plan is the addition of the hotel facilities and approximately 400,000 sq. ft. of additional commercial in the Preliminary Plan. The added square footage of office and industrial does not significantly alter the fiscal balance of the Plan.

The staff prepared a long-range forecast of revenues and costs (see Figure 5) which demonstrates the effect of the greater emphasis of commercial land uses and lodging facilities in the Preliminary Plan. The long-range forecast assumes that the City would continue to absorb unincorporated island annexations of residential areas with their commensurate high costs per unit. The forecast held all existing costs and revenues in constant 1982-1983 dollars to avoid attempting to second guess the rate of inflation. The projection demonstrates that with the Preliminary Plan, the City can be assured of a reasonable return

LONG-RANGE FORECAST OF REVENUES AND COSTS

(ALL FIGURES EXPRESSED IN CONSTANT 1982/83 DOLLARS)

| | | HYPOTHETICAL | | | | DEVELOPMENT | | | | SCHEDULE | | | | (Sq Ft x 1000) | |
|--------------------|--|--------------|---------|---------|---------|-------------|---------|---------|-----------|----------|-----------|-----------|----------|----------------|------------|
| LAND USE | | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | Bld-out-96 | TOTAL |
| Commercial/year | | 25 | 25 | 50 | 300 | 50 | 100 | 50 | 25 | 25 | 25 | 25 | 18.8 | | |
| " /accum | | 25 | 50 | 100 | 400 | 450 | 550 | 600 | 625 | 650 | 675 | 700 | 718.8 | 718.8 | 718.8 |
| Office /year | | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 165.9 | | | |
| " /accum | | 200 | 400 | 600 | 800 | 1000 | 1200 | 1400 | 1600 | 1800 | 2000 | 2165.9 | 2165.9 | 2165.9 | 2165.9 |
| Industrial/year | | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 157.3 | | | |
| " /accum | | 150 | 300 | 450 | 600 | 750 | 900 | 1050 | 1200 | 1350 | 1500 | 1657.3 | 1657.3 | 1657.3 | 1657.3 |
| SUB TOTAL | | 375 | 375 | 400 | 650 | 400 | 450 | 400 | 375 | 375 | 375 | 348.2 | 18.8 | 0 | |
| | | 375 | 750 | 1150 | 1800 | 2200 | 2650 | 3050 | 3425 | 3800 | 4175 | 4523.2 | 4542 | 4542 | 4542 |
| Hotel-rm /year | | | | 0 | 850 | 240 | | | | | | | | | |
| " -sf /accum | | | | | 640 | 790 | 790 | 790 | 790 | 790 | 790 | 790 | 790 | 790 | 790 |
| TOTAL | | 375 | 750 | 1150 | 2440 | 2990 | 3440 | 3840 | 4215 | 4590 | 4965 | 5313.2 | 5332 | 5332 | 5332 |
| Res -d.u. /year | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 222 | | |
| " /accum | | 300 | 600 | 900 | 1200 | 1500 | 1800 | 2100 | 2400 | 2700 | 3000 | 3300 | 3522 | 3522 | 3522 |
| Res-Annex/year | | 0 | 0 | 0 | 67 | 500 | 500 | 500 | 500 | 500 | 0 | 0 | 0 | 0 | |
| " /accum | | 0 | 0 | 0 | 67 | 567 | 1067 | 1567 | 2067 | 2567 | 2567 | 2567 | 2567 | 2567 | 2567 |
| PROJECTED REVENUE | | | | | | | | | | | | | | | ANNUAL REV |
| ANNUAL REV | | | | | | | | | | | | | | | |
| Sales Tax | | | | | | | | | | | | | | | |
| Comm | | 36250 | 72500 | 145000 | 580000 | 652500 | 797500 | 870000 | 906250 | 942500 | 978750 | 1015000 | 1042260 | 1042260 | 1042260 |
| Ind | | 24000 | 48000 | 72000 | 96000 | 120000 | 144000 | 168000 | 192000 | 216000 | 240000 | 259908 | 259908 | 259908 | 259908 |
| Empl Spend | | 16750 | 33500 | 50800 | 88960 | 109860 | 128260 | 145560 | 162310 | 179060 | 195810 | 211244.4 | 211658 | 211658 | 211658 |
| Hotel Guest | | 0 | 0 | 0 | 0 | 192000 | 237000 | 237000 | 237000 | 237000 | 237000 | 237000 | 237000 | 237000 | 237000 |
| Hotel Tax | | 0 | 0 | 0 | 1024000 | 1264000 | 1264000 | 1264000 | 1264000 | 1264000 | 1264000 | 1264000 | 1264000 | 1264000 | 1264000 |
| Property tax | | 15312.5 | 30625 | 46300 | 66940 | 92615 | 119015 | 144690 | 170002.5 | 195315 | 210627.5 | 225484.4 | 232417 | 232417 | 232417 |
| Franchise Fees | | 27000 | 54000 | 82800 | 129600 | 158400 | 190800 | 219600 | 246600 | 273600 | 300600 | 325670.4 | 327024 | 327024 | 327024 |
| SUB TOTAL | | 119312.5 | 238625 | 396900 | 1985500 | 2589375 | 2880575 | 3048850 | 3178162.5 | 3307475 | 3426787.5 | 3538307.2 | 3574267 | 3574267 | 3574267 |
| NON-RECURRING REV | | | | | | | | | | | | | | | (TOTAL) |
| Construction Tax | | 447000 | 447000 | 472000 | 790000 | 491200 | 522000 | 472000 | 447000 | 447000 | 447000 | 420200 | 72080 | 0 | 5474480 |
| Permit Fees | | 299500 | 299500 | 307000 | 721150 | 402760 | 322000 | 307000 | 299500 | 299500 | 299500 | 290193 | 129960 | 0 | 3977563 |
| Park Fees | | 311220 | 311220 | 311220 | 311220 | 311220 | 311220 | 311220 | 311220 | 311220 | 311220 | 311220 | 230302.8 | 0 | 3653723 |
| SUB TOTAL | | 1057720 | 1057720 | 1090220 | 1822370 | 1205180 | 1155220 | 1090220 | 1057720 | 1057720 | 1057720 | 1021613 | 432342.8 | 0 | 13105766 |
| TOTAL ANNUAL REV | | 1177033 | 1296345 | 1487120 | 3807870 | 3794555 | 4035795 | 4139070 | 4235883 | 4365195 | 4484508 | 4559920 | 4006610 | 3574267 | |
| PROJECTED COST | | | | | | | | | | | | | | | |
| OPERATING COST | | | | | | | | | | | | | | | |
| Growth Incr | | | | | | | | | | | | | | | |
| Non-Res | | 48750 | 97500 | 149500 | 234000 | 286000 | 344500 | 396500 | 445250 | 494000 | 542750 | 588016 | 590460 | 590460 | 590460 |
| Res | | 135000 | 270000 | 405000 | 570150 | 930150 | 1290150 | 1650150 | 2010150 | 2370150 | 2505150 | 2640150 | 2740050 | 2740050 | 2740050 |
| CAPITAL IMPR | | | | | | | | | | | | | | | |
| G.P. Road | | 100000 | 500000 | 1400000 | 400000 | 300000 | 800000 | 500000 | | | | | | | |
| TOTAL ANNUAL COST | | 283750 | 867500 | 1954500 | 1204150 | 1516150 | 2434650 | 2546650 | 2455400 | 2864150 | 3047900 | 3228166 | 3330510 | 3330510 | 3330510 |
| NET ANNUAL REVENUE | | 893283 | 428845 | -467380 | 2603720 | 2278405 | 1601145 | 1592420 | 1780483 | 1501045 | 1436608 | 1331754 | 676100 | 243757 | |

GROWTH

-71-

| | P R O J E C T E D | | | | | B A L A N C E | | | | | (\$ x 1000) | | | |
|---------------------|-------------------|------|------|------|------|---------------|------|-------|-------|-------|-------------|-------|-------|---------|
| SUMMARY OF ACCOUNTS | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | Bld-Out |
| BEGINNING FUND BAL | 1854 | 2111 | 2303 | 1781 | 4277 | 6414 | 7682 | 8941 | 10389 | 11557 | 12661 | 13659 | 14002 | 13913 |
| Revenue | | | | | | | | | | | | | | |
| Current | 8821 | 8821 | 8821 | 8821 | 8821 | 8821 | 8821 | 8821 | 8821 | 8821 | 8821 | 8821 | 8821 | 8821 |
| Growth | 1177 | 1296 | 1487 | 3808 | 3795 | 4036 | 4139 | 4236 | 4365 | 4485 | 4560 | 4007 | 3574 | 3574 |
| Operating Cost | | | | | | | | | | | | | | |
| Current | 7154 | 7154 | 7154 | 7154 | 7154 | 7154 | 7154 | 7154 | 7154 | 7154 | 7154 | 7154 | 7154 | 7154 |
| Growth | 184 | 368 | 555 | 804 | 1216 | 1635 | 2047 | 2455 | 2864 | 3048 | 3228 | 3331 | 3331 | 3331 |
| Capital Proj | | | | | | | | | | | | | | |
| Current | 2303 | 1904 | 1722 | 1774 | 1809 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 |
| Growth | 100 | 500 | 1400 | 400 | 300 | 800 | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ENDING FUND BALANCE | 2111 | 2303 | 1781 | 4277 | 6414 | 7682 | 8941 | 10389 | 11557 | 12661 | 13659 | 14002 | 13913 | 13824 |

ASSUMPTIONS

Revenue Assumptions

- Sales tax share to City and per square foot performance remains constant.

City sales tax share = .0091 x total sales
Sales tax to City for commercial = \$1.44 per sq. ft.
Sales tax to City for industrial = \$.12 per sq. ft.

- Property tax rate remains constant. City receives 2% of 1% tax rate.

- Permit fees remain constant.

- Park fees remain constant.

- Construction tax:

- \$1.00 sq. ft.
- \$240/dwelling unit
- \$80 hotel room

- Revenue accounts affected by growth:

- Sales tax
- Property tax
- Hotel tax (transit occupancy tax)
- Franchise fees
- Construction tax
- Building permit fees
- Park dedication fees

- Hotel guests spend at rate of \$25,000 year/room.

- Employee expenditures = \$1,200 employee/year.

- 1.33 hotel rooms per 1,000 sq. ft. of hotel.

- Constant 1982-83 dollars

Cost Assumptions

- Existing municipal costs split per Questor Report as follows:

- 15% non-residential
- 85% residential

- Residential costs \$450/du per Questor Report

- Road improvements phased 1984-1990

- Constant 1982-83 dollars

Buildout (development) Assumptions

- Buildout 12-13 years (1984-1996)

- Development rate:

- Office = 200,000 sq. ft./year
- Industrial = 150,000 sq. ft./year
- Commercial = 25,000 sq. ft./year except when Vallco Park/Town Center develop
- Residential = 300 dwelling units/year

- City will annex unincorporated "islands" within urban service area (2,567 d.u.s) Programmed for 1987-1992.

of revenues over costs over the short term (five years). This factor appears to be evident even given the relatively conservative assumption that the City may end up bearing the cost for presently unincorporated areas. The projection over the long term (greater than five years) contain too many assumptions to reasonably rely upon. However, this longer term projection to the build-out of the General Plan provides a perspective of the long term impacts of different land use types.

The Existing General Plan given the same assumptions does not produce nearly the surplus of revenues. This scenario illustrates that the City would begin using its reserves in the next six to eight years.

The present advantageous fiscal conditions is attributable to the fact that Cupertino is a relatively young and affluent community. The City can expect that as the community ages, the housing stock will require greater attention in terms of code enforcement and maintenance. Additionally, the "infrastructure" (roads, storm drains, water lines, etc.) will age and likely result in higher levels of maintenance in later years. The long-range projections illustrate that the surplus of revenues decline significantly as the City approaches and passes build-out of the General Plan. This occurs, for the obvious reason, that the one time revenue sources of construction tax, building permit fees, and park dedication fees are no longer forthcoming.

Market Feasibility

The City commissioned an economic report to evaluate the General Plan alternatives which was prepared by the Economic Consulting Firm of Questor and Associates. The report projects that higher intensity levels of office and industrial uses are marketable in the Cupertino area. Commercial land uses, on the other hand, have short term limitations between 400,000 to 500,000 additional square footage. This square footage when added to the Existing General Plan falls within the parameters of the Preliminary Plan. Therefore, staff assumes that the levels of development intensity outlined in the Existing General Plan as well as the Preliminary Plan are both marketable although the degree of absorption by the market may vary.

Only the Preliminary Plan recognizes the strong market demand for growth in the Vallco Park and Town Center properties. The speculative expectations of property owners, as evidenced by many inquiries desiring higher floor area ratios, are likely not be realized under either Plan. This may result in lowered expectations and possibly stabilized or lower rates of appreciation especially for properties located outside of the Core Area where the level of the intensity will be strictly limited under the Preliminary Plan.

FISCAL/MARKET FEASIBILITY SUMMARY TABLE

| | <u>EXISTING PLAN (REV.)</u> | <u>PRELIMINARY PLAN</u> |
|--------------------|--|--|
| Market Feasibility | Plan is feasible but does not accommodate market demand for new commercial growth in Vallco Park and office development. | Plan accommodates new office and expansion of Vallco Fashion Park which is feasible. |
| Cost Revenue | Costs associated with servicing people will out-strip revenue and force use of reserves unless new revenue sources are found. Costs can be reduced if the City limits future annexation and residential growth in general. | New Revenue sources will delay eventual cross over from positive cash flow. Thus, current level of service can be maintained for longer periods of time. |

Possible Adverse Economic, Social and Environmental Impacts and Mitigation Measures

Possible Impacts

Continued residential growth, particularly annexation of older residential areas and the general aging of the City's infrastructure, will eventually increase costs beyond yearly revenues.

Proposed Mitigation Measures

Costs attributable to the General Plan options can be mitigated through built-in systems to lower municipal servicing costs (fire suppression and police surveillance systems) and through cost recovery techniques such as fee charges and capital improvement assessments for land use forms which will result in extraordinary municipal service costs. The following policies are suggested to help mitigate extraordinary service costs and ensure that the City continues to monitor costs and revenues on new development:

Policy 1

The City should require that land use forms which necessitates significant modifications of municipal services pay for all additional costs of providing said service levels.

Policy 2

The City should continue to monitor costs, revenues, and level of development activity to provide information for future land use decisions affecting the community's fiscal health.

Community Services Element

The Community Services section of the Phase One Report evaluated waste water capacity, storm drain capacity, solid waste management, water and power, fire suppression, police services, and parks. With the exception of parks, which is service-related to residential growth only, the Phase One analysis indicated that there will be sufficient capacity to accommodate a high level of growth. The ability to accommodate the high end plan for fire and police was contingent upon some assumed mitigation measures which are incorporated into the Amendment.

The Phase Two Community Services analysis is limited to an evaluation of waste water treatment, community parks and solid waste. Waste water treatment is re-analyzed because of the on-going need to monitor waste water growth in the Cupertino Sanitary District and other districts that are tributary to the Santa Clara/San Jose Water Treatment Plant. The Parks Element was updated to reflect the City Council's tentative position to adopt a more detailed Park Plan. The more detailed Park Plan is required to enable the City to react to the Cupertino School District's plan to dispose of surplus school sites.

Solid waste is re-analyzed because of the critical problems facing North County cities regarding the need for a new land fill site.

Figure 6 describes a revised water treatment plant and interceptor line capacity analysis for the Existing and the Preliminary Plans. As indicated by the Tables, neither Plan will over-tax the capacity of the Sanitary District and San Jose Water Treatment Plant to serve Cupertino's projected growth.

WASTE WATER

Waste Water Treatment Plant Capacity Analysis Current and Future Average Daily Flows in Million Gallons Per Day (MGD)

| | Current Flow April 1982 ¹ | New Flow Increment from Alternate Plans ² | Build-out Flows ³ | Purchased Capacity ⁴ |
|-----------------------|---|--|---------------------------------|------------------------------------|
| Preliminary Plan | 4.45 | 2.43 | 6.88 | 8.6 |
| Existing Revised Plan | 4.45 | 1.72 | 6.17 | 8.6 |

1. Total current District flow from all jurisdictions.
2. New flow increment includes new Cupertino Urban Service Area growth inside and outside of Core Study Area. Outside Core Area growth is constant for each alternate Core Area Plan.
3. The build-out flows do not include future growth from north-west Saratoga. The Sanitary District projections indicate that there is adequate capacity to service future Saratoga growth based upon Saratoga's current General Plan and Cupertino's proposed Plan Amendments.
4. Refer to text for a discussion of purchased capacity versus actual capacity for the total District boundary.

Main Interceptor Line Capacity Analysis Current and Future Peak Flows in Million Gallons Per Day (MGD)

| | Current Flow April 1982 | New Flow Increments from Alternate Plans ¹ | Build-out Flows ² | Line Capacity ³ |
|-----------------------|----------------------------|--|---------------------------------|-------------------------------|
| Preliminary Plan | 7.0 | 4.5 | 11.5 | 15.9 |
| Existing Revised Plan | 7.0 | 3.2 | 10.2 | 15.9 |

- 1.. New flow increments includes new growth inside and outside of Core Study Area. Outside Core Area growth is constant for each alternate Core Area Plan.
2. The build-out flows do not include future growth from northwest Saratoga. The Sanitary District projections indicate that there is adequate capacity to serve future Saratoga growth based upon Saratoga's current General Plan and Cupertino's proposed amendments.
3. Capacity for entire system excluding area transferred from San Jose.

Figure 7 identifies a Park Acquisition Plan that was tentatively adopted by City Council. The Plan accommodates Council's broad objectives established in conjunction with the First Phase Plan. The four objectives are:

1. To complete the neighborhood Park Acquisition Program.
2. To maintain an adequate inventory of sports fields.
3. The purchase of a site for community center.
4. Retain creekside and other natural open space areas identified in the Existing General Plan.

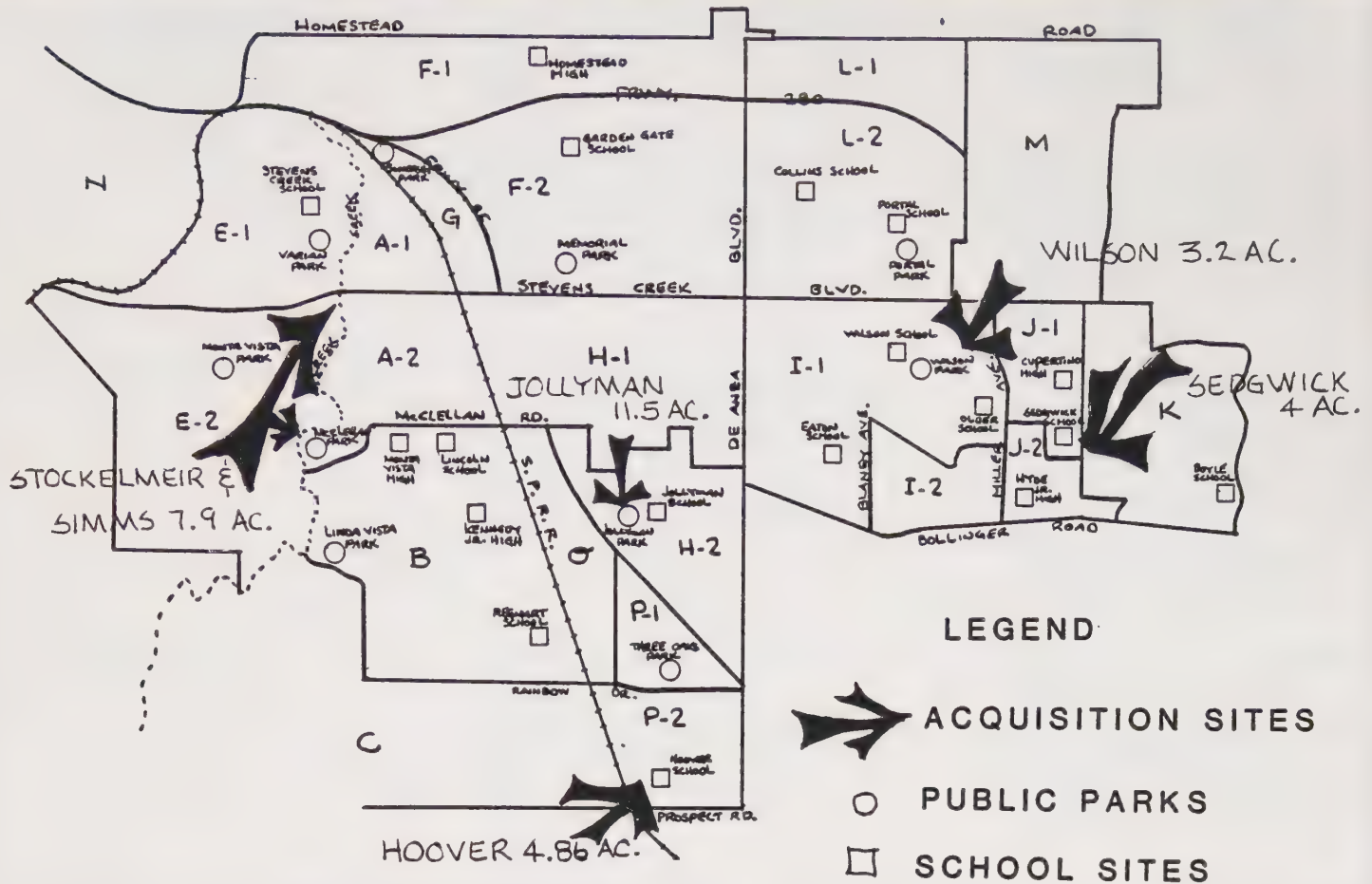
The Acquisition Plan described in Figure 7 was accompanied by a long-range forecast of revenues of cost which indicated that the acquisition program is feasible if the long-term revenue and cost projection assumptions remain valid. Given the uncertainties involving the projection of costs and revenues and given the uncertainties involving the school district's long-range plans for use of their school sites, the acquisition plan is a policy guide and is subject to periodic revision.

TABLE 2
ESTIMATED SOLID WASTE GENERATION: 1990
Cupertino Urban Service Area
Tons/Week

| | Collected Solid Wastes | | | | Non-Collected Solid Wastes | Demolition | TOTAL QUANTITY DISPOSED |
|---|------------------------|---------------------------|------------|--------------|-------------------------------|------------|-------------------------------|
| | Residential | Commercial Pro. Office | Industrial | SUB TOTAL | | | |
| Present Solid Waste Generation: 1981 | 300 | 110 | 130 | 540 | 30 | 260 | 830 |
| Existing General Plan | 370 | 140 | 180 | 690 | 30 | 290 | 1,010 |
| Preliminary Plan | 370 | 193 | 195 | 758 | 30 | 290 | 1,078 |

Table 2 is a revised analysis of solid waste generation based upon the Existing and Preliminary Plan. As stated in the Phase One Report, it is difficult to relate the projected solid waste estimates to work currently under way by the North Santa Clara County Solid Waste Management Authority. The Authority conducting the study to develop a means to find a long-term solution to the problem of disposing solid waste. The tangible finding that can be made with respect to the data contained in Table 2 is that the Existing Plan will generate approximately 180 tons per week over today's estimated level and the Preliminary Plan will result in 250 additional tons over today's generation levels.

PARK ACQUISITION PLAN



| AREA | POP. | FUTURE DEMAND (acres) | 1982 SUPPLY (acres) | 1990 SUPPLY (acres) | PROPOSED PURCHASE (acres) | COST OF PURCHASE (\$1000 s) | TOTAL INVENT. (acres) | FUTURE RATIO (ac/1000) |
|-----------|----------|-----------------------|---------------------|---------------------|---------------------------|-----------------------------|-----------------------|------------------------|
| A-1/E-1 | 2617.00 | 7.85 | 11.60 | 11.60 | 0.00 | 0.00 | 11.60 | 4.43 |
| F-1/F-2 | 6286.00 | 18.86 | 40.60 | 40.60 | 0.00 | 0.00 | 40.60 | 6.46 |
| G | 715.00 | 2.15 | 1.00 | 1.00 | 0.00 | 0.00 | 1.00 | 1.40(1) |
| N | 1180.00 | 3.54 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00(2) |
| Sub total | 10798.00 | 32.39 | 53.20 | 53.20 | 0.00 | 0.00 | 53.20 | 4.93 |
| A-2/B/C | 6949.00 | 20.85 | 66.30 | 66.30 | 0.00 | 0.00 | 66.30 | 9.54 |
| E-2 | 4271.00 | 12.81 | 6.20 | 6.20 | 7.90 | 691.25 | 14.10 | 3.30(3) |
| H-1/H-2 | 3795.00 | 11.39 | 17.10 | 9.20 | 11.40 | 3990.00 | 20.60 | 5.43(4) |
| O | 1642.00 | 4.93 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00(5) |
| P-1 | 1168.00 | 3.50 | 3.40 | 3.40 | 0.00 | 0.00 | 3.40 | 2.91 |
| P-2 | 1733.00 | 5.20 | 6.50 | 0.00 | 4.86 | 1701.00 | 4.86 | 2.80(6) |
| Sub-total | 19558.00 | 58.67 | 99.50 | 85.10 | 24.16 | 6382.25 | 109.26 | 5.59 |
| I-1/I-2 | 5678.00 | 17.03 | 29.30 | 18.20 | 3.20 | 1120.00 | 21.40 | 3.77(7) |
| J-1/J-2/K | 5170.00 | 15.51 | 30.00 | 25.50 | 4.00 | 1400.00 | 29.50 | 5.71(8) |
| L-1/L-2 | 5367.00 | 16.10 | 15.10 | 15.10 | 0.00 | 0.00 | 15.10 | 2.81 |
| M | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sub total | 16215.00 | 48.65 | 74.40 | 58.80 | 7.20 | 2520.00 | 66.00 | 4.07 |
| TOTAL | 46571.00 | 139.71 | 227.10 | 197.1 | 31.36 | 8902.25 | 228.46 | 4.91 |

- Land is not available for acquisition in neighborhood G.
- Park land will be provided privately in neighborhood N.
- 7.9 acres of natural open space will be acquired (4.9 Stockelmeir 3.0 Simms) adjacent to Stevens Creek as per existing open space plan.
- Purchase 11.5 acres to provide sports fields and community center site.
- Park land in neighborhood O will not be acquired because of close proximity to other parks.
- 4.86 acres will be acquired on Hoover site.
- 3.2 acres of Wilson turf will be acquired to retain youth fields.
- 4 acres of the Sedgwick site will be purchased for youth fields and neighborhood park space.

COMMUNITY SERVICES SUMMARY TABLE

| <u>SERVICE FACTOR</u> | <u>EXISTING PLAN(REV.)</u> | <u>PRELIMINARY PLAN</u> |
|---|---|---|
| Public Utilities (water, gas, electric) | The utility providers state that they can satisfy demand. | The utility providers state that they can satisfy demand. |
| Solid Waste | The Plan will generate approximately 180 tons over existing 830 tons per week level for Urban Service Area by 1990. | The Plan will generate approximately 250 tons over the existing 830 tons per week level for Urban Service Area by 1990. |
| Emergency Services | Generally speaking, this Plan will result in low level buildings which can be served by agencies through normal expansion. | The increased intensity may result in multi-story structures which may over-extend many levels of the Central Fire District and require new communication equipment for the police agency. |
| Waste Water | The Plan can be accommodated assuming that planned expansion of the San Jose/Santa Clara Treatment Plant continues to remain on schedule. | The Plan can be accommodated assuming that planned expansion of the San Jose/Santa Clara Treatment Plan continues to remain on schedule. |
| Storm Drain System | The City's storm drain system can accommodate growth. The Santa Clara Water District must complete its scheduled plan to expand the capacity of the Calabazas Creek conduit project for Miller Ave. and Tantau Ave. | The City's storm drain system can accommodate growth. The Santa Clara Water District must complete its scheduled plan to expand the capacity of the Calabazas Creek conduit project for Miller Ave. and Tantau Ave. |
| Parks | The Existing Parks Plan stresses small neighborhood parks. It does not accommodate group sports activities | The Preliminary Plan proposes strategic purchases of land to accommodate neighborhood park space and group sports. |

Possible Adverse Economic, Social and Environmental Impacts and Mitigation Measures

Possible Impacts

The new growth level for the Existing and Preliminary Plans can be accommodated by the various service providers discussed above. Assuming that the Solid Waste Authority can conclude its study and implement a plan during the next few years and that the San Jose/Santa Clara Treatment Plant expansion remains on schedule. Neither effort is directly controlled by the City.

Proposed Mitigation Measures

The following mitigation measures can be utilized to reduce servicing demands created by new development.

1. The City and the Cupertino Sanitary District should develop a closer relationship relative to the development review process to ensure that waste water generation is kept within prescribed limits. The City should forward Business License applications to the District to enable it to monitor changes in tenancy (possible changes in flow rates) within existing buildings.
2. The City should ensure that adequate manning levels and fire-fighting equipment is in place in conjunction with approval of a building which exceeds five stories or 60 ft. The City shall define the adequacy of fire protection following consultation with the Central Fire District. The City and Central Fire District shall develop a means to finance extraordinary costs associated with mid-rise fire protection. The financial program shall be guided by the principle that extraordinary costs should be borne by mid-rise developers. The financial formula should consider extraordinary revenue generated by mid-rise (versus the same square footage for low-rise and the additional level of service that extra manpower provides to the entire community).
3. The City should support a solid waste management system which would include, where economically feasible, local recycling efforts and the development of resource recovery facilities to convert solid wastes to usable energy.
4. The future development should be designed and equipped to assist the City police force.
 - a. The Plan should provide built-in communications equipment, such as repeater sites so that the police units can function in and out of their vehicles, as well as in and out of buildings.
 - b. Developers should be required to establish private security forces and devices to protect facilities during construction and operation.
 - c. Development plans should consider physical facilities, such as office space, for use by officers on the scene to prepare reports, interview of witnesses, victims or suspects and other administrative tasks.
 - d. Future development should have built-in surveillance equipment for underground or concealed areas, such as hallways and storage areas.
 - e. Future planning should provide adequate planning for emergency access by emergency vehicles.

The General Plan Amendment will not have a significant effect upon local and regional air quality, community noise levels or flora and fauna because the net increase in the development potential from a regional or sub-regional perspective is slight. However, the potential for accumulative impacts of land use intensity throughout the region warrants preparation of data. The data will update the General Plan Environmental Resources Element which was prepared and adopted in 1979. The Energy Assessment will function as the Energy Element of the General Plan. The air quality, noise analysis and energy assessment are technical appendices to the Background Report/Draft Environmental Impact Report.

Air Quality

Table 3 and Figures 8, 9 and 10 are reproduced from the Air Quality and Noise Assessment Technical Appendix. The Table and Figures describe the existing air quality setting based upon regional data. Figure 11 describes modeled carbon monoxide concentrations in Cupertino for present case, the Existing Revised 1990 Plan (labeled 1979 General Plan) and the Preliminary Plan (labeled Adopted GPA 1990). The data shows peak hour and eight hour average concentrations of carbon monoxide for the eight receptor sites which are described on the map segment of the figure. The receptor locations were chosen to represent worst case impacts. The modeled air quality information was developed based upon traffic projections used in the General Plan. The primary determinants of future air pollution are automotive traffic within the region and the continued turn-over of older vehicles with newer, more efficient and less polluting vehicles. The latter factor will actually result in lower concentration of carbon monoxide and other pollutants in the future in spite of modest traffic growth. Carbon monoxide analysis is typically used as an indicator for the full range of vehicular pollutants because it has the most serious impacts and also is emitted in the greatest quantity.

Noise Level

Figure 12 identifies the receptor sites analyzed for potential noise impacts within the community. The noise descriptor, in this case, is the Leq noise level for peak traffic hour measured 50 ft. back from the nearest travel lane. The Leq descriptor is an average noise level (energy equivalent) for a particular measuring period. The numerical value for a Leq during peak traffic hour would be higher than a Ldn which is a 24-hour averaging concept. Since the City of Cupertino General Plan adopts a 65 to 70 Ldn value as "normally acceptable" for exterior living space, future traffic increases on the street network will not result in noise levels which exceed the City's acceptable standards for the receptor sites described on the map.

Energy

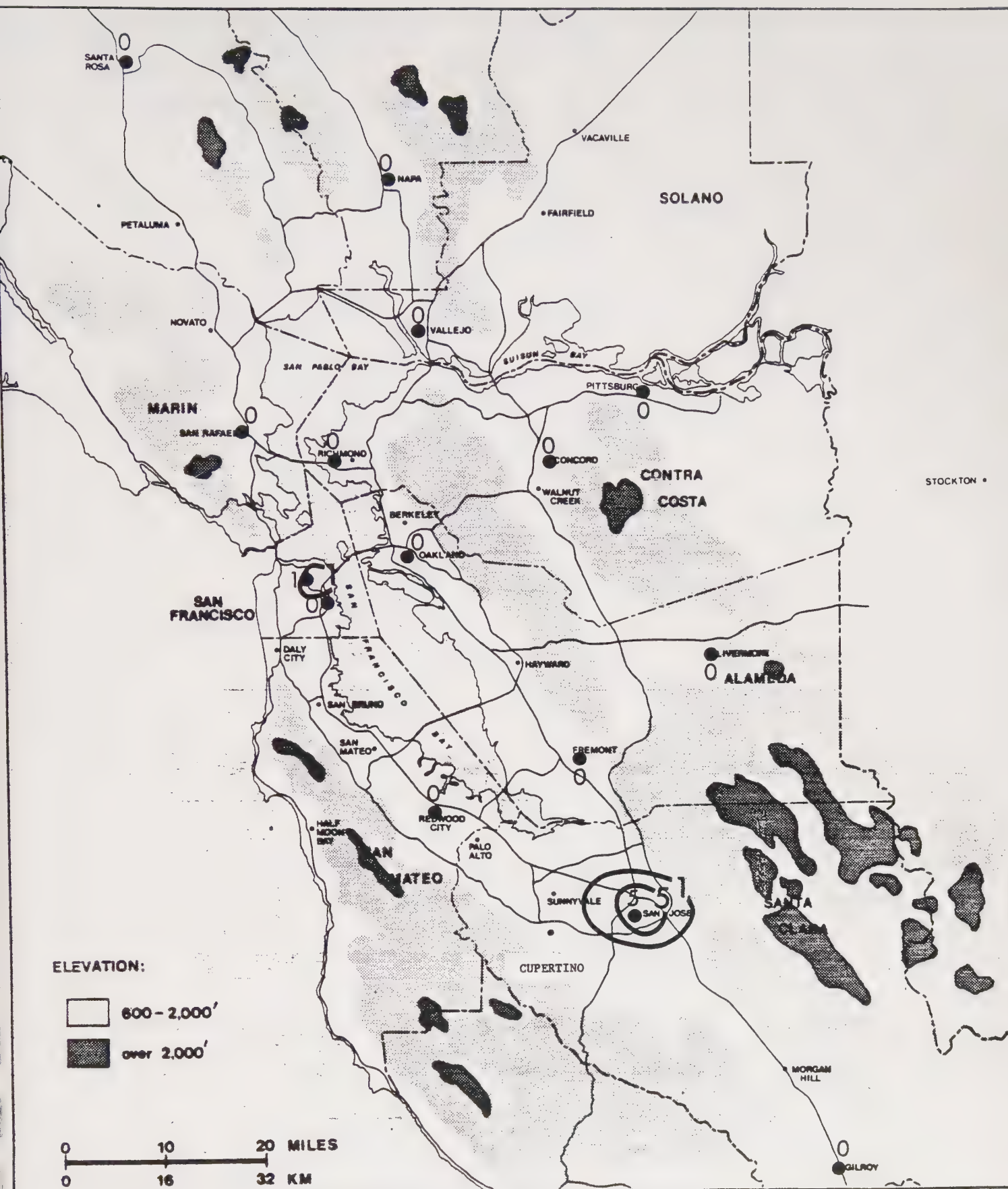
The energy analysis compares the growth in the use of energy by four sectors; residential development, commercial development, industrial development and transportation. Table 4 compares the energy demand by sector for the Existing Plan (Base Tier) and the 1990 Preliminary Plan (Second Tier). Figure 13 describes the Citywide annual delivered energy use by sector for both embodied energy and operational energy. The term "embodied energy" means "the energy bound in the materials and goods during the manufacturing or construction processes" and operational energy is "the opposite of embodied energy. It could be expressed in the form of delivered or primary energy and represents the energy consumed on a day-to-day basis to keep a building, automobile, etc. functioning".

TABLE 3

EXHIBIT 1 AMBIENT AIR QUALITY DOWNTOWN SAN JOSE

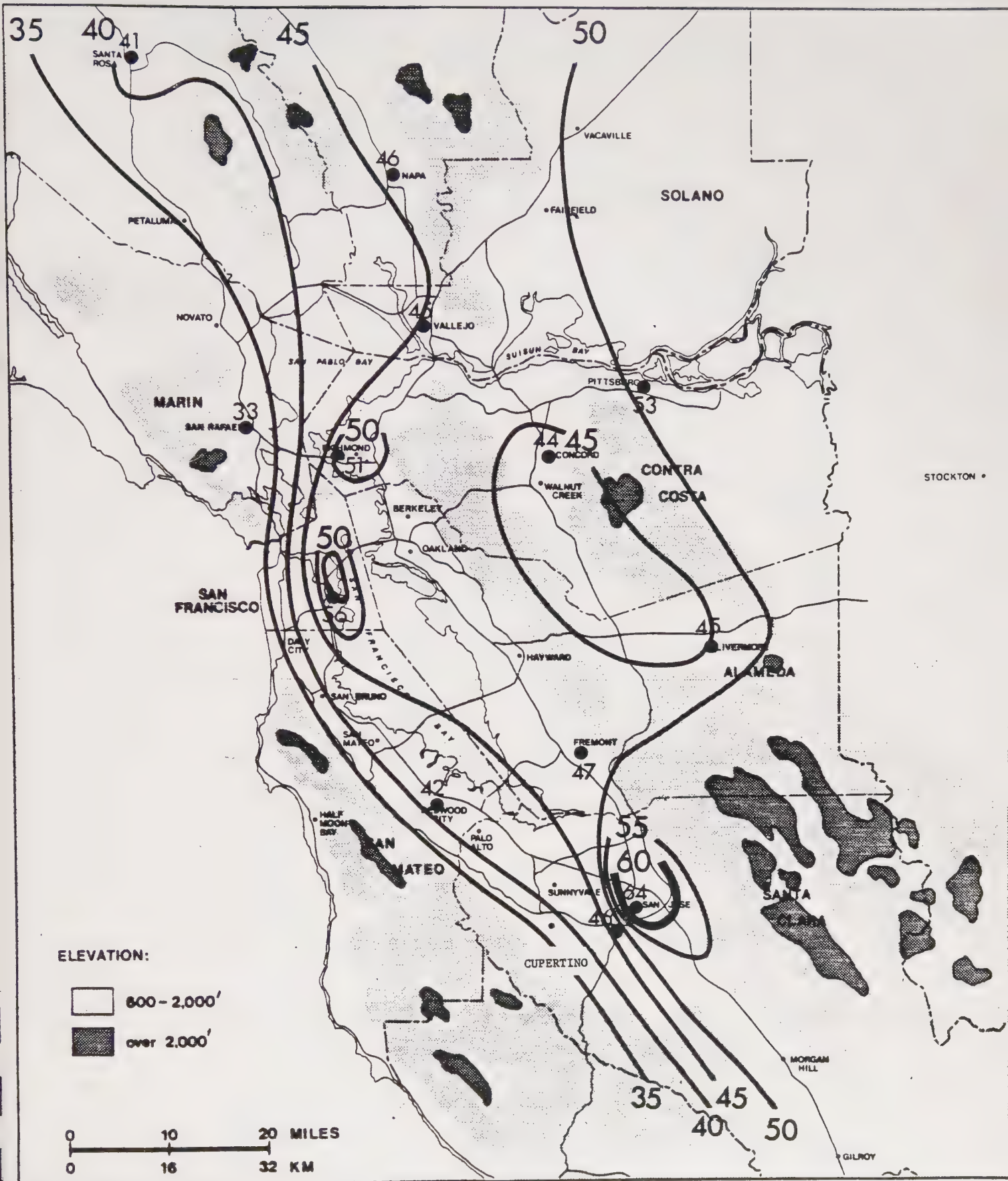
| | <u>1980</u> | <u>1981</u> | <u>1982</u> | <u>BAAQMD Standard</u> | <u>Measurement Units</u> |
|--|-------------|-------------|-------------|----------------------------|---|
| 1. <u>Ozone</u> - | | | | | |
| Maximum | 17 | 15 | 12 | 12 | pphm, 1-hour avg. |
| Exceedances | 3 | 1 | 0 | 1 | days per year |
| 3-year average | 6.2 | 2.7 | 1.3 | 1 | Expected Annual Exceedances |
| 2. <u>Carbon Monoxide</u> - | | | | | |
| Maximum 8-hour | 16 | 10.8 | 12.4 | 9 | ppm, 8-hour avg. |
| 8-hour Exceedances | 15 | 5 | 9 | 1 | days per year |
| 3. <u>Nitrogen Dioxide</u> - | | | | | |
| Maximum | 26 | 22 | 16 | 25 | pphm, 1-hour avg. |
| Exceedances | 1 | 0 | 0 | 1 | days per year |
| 4. <u>Sulfur Dioxide</u> - | | | | | |
| Maximum | 8 | 3 | 3 | 5 | ppb, 24-hour avg. |
| Exceedances | 0 | 0 | 0 | 2 | % of days per year |
| 5. <u>Total Suspended Particulates</u> - | | | | | |
| Annual Mean | 74 | 64 | 66 | 60 | annual geometric mean, ug/m^3 |
| Daily Exceedances | 25 | 8 | 15 | 1 | percent of days per year, above $100 \text{ ug}/\text{m}^3$ |

SOURCE: Bay Area Air Quality Management District



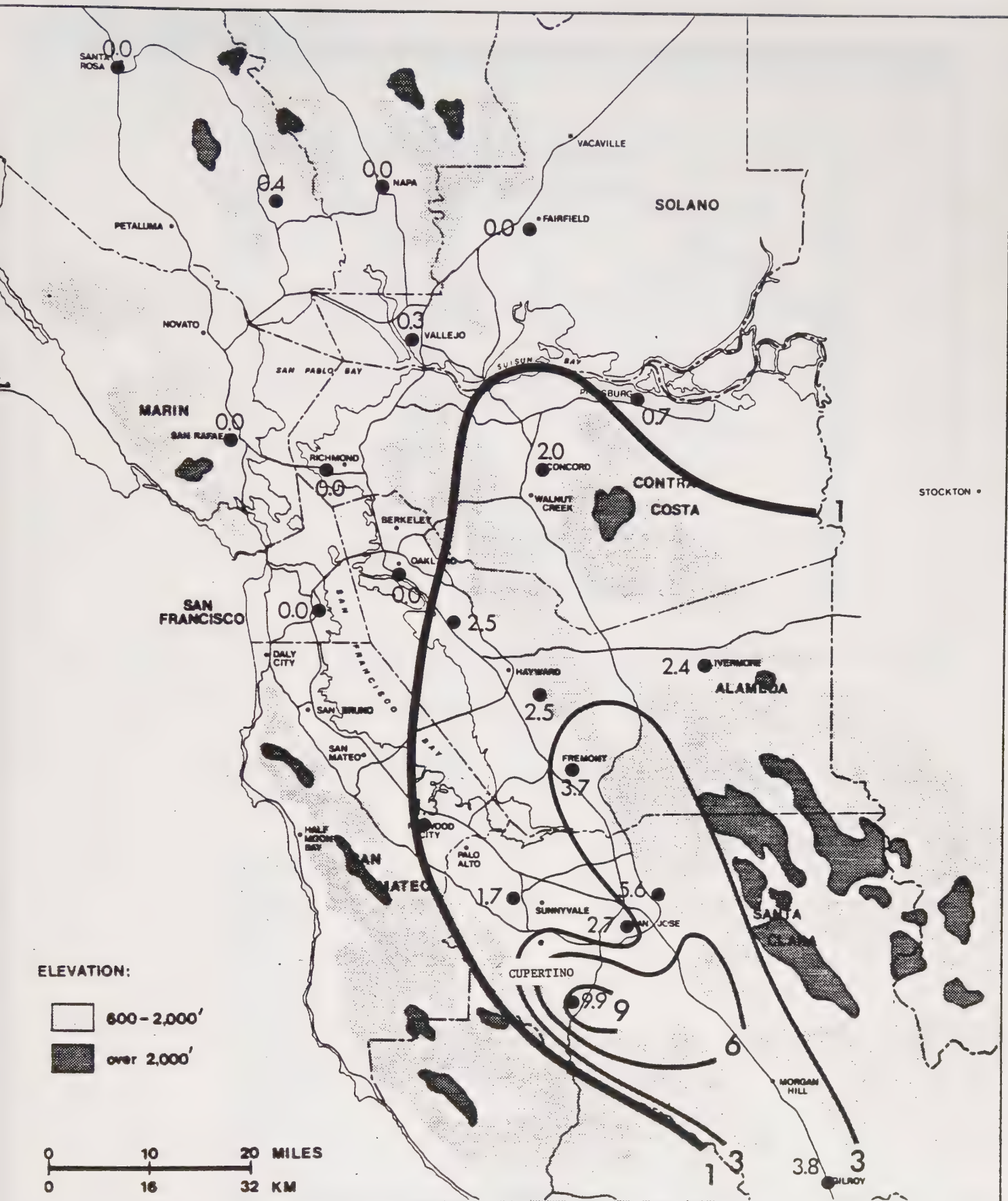
1981 ANNUAL NUMBER OF DAYS WITH CARBON MONOXIDE EXCEEDING FEDERAL STANDARD (9 PARTS PER MILLION FOR 8 HOURS)

FIGURE 8



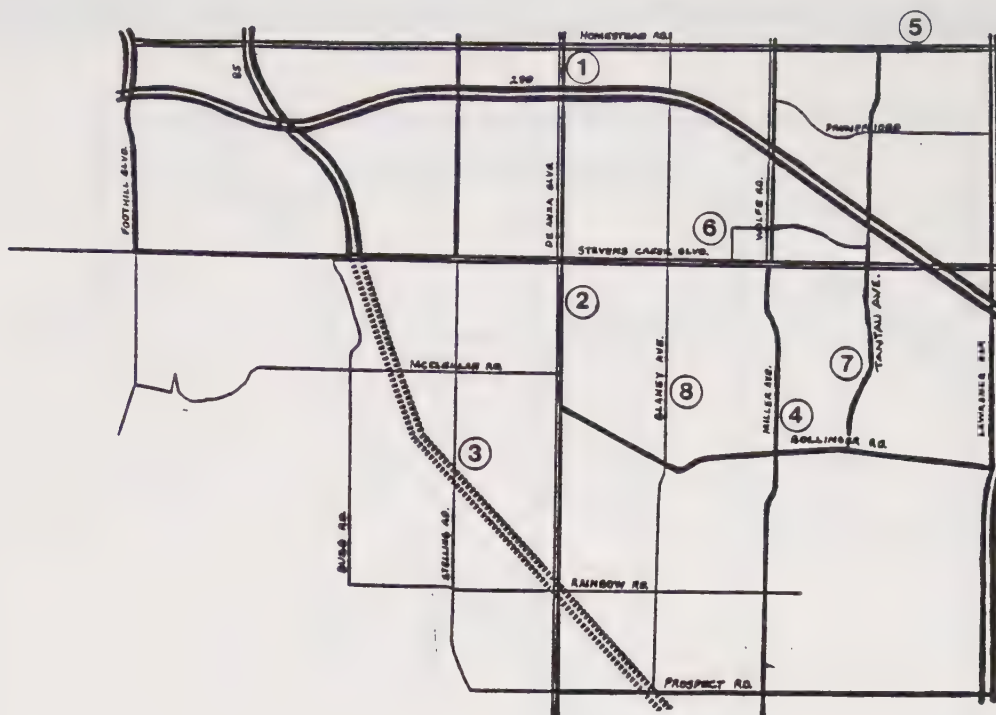
1981 ANNUAL GEOMETRIC MEANS OF TOTAL SUSPENDED PARTICULATE IN MICROGRAMS PER CUBIC METER ($\mu\text{G}/\text{M}^3$), FEDERAL PRIMARY STANDARD IS $75 \mu\text{G}/\text{M}^3$.

FIGURE 9



1981 EXPECTED ANNUAL EXCEEDANCES OF FEDERAL OZONE STANDARD IN DAYS PER YEAR WITH MAXIMUM HOURLY OZONE CONCENTRATION EXCEEDING .12 PPM, BASED ON 3-YEAR AVERAGE (1979-1981)

AIR QUALITY



CUPERTINO GENERAL PLAN AMENDMENT

MODELED CARBON MONOXIDE CONCENTRATIONS (PPM)

| Receptor ¹ Area | Present Case | | 1979 General Plan (1990) | | Adopted GPA (1990) | |
|----------------------------------|--------------|------------|-----------------------------|------------|--------------------|------------|
| | Pk. Hr. | 8-Hr. Avg. | Pk. Hr. | 8-Hr. Avg. | Pk. Hr. | 8-Hr. Avg. |
| 1 Mariani (De Anza) | 12.5 | 2.3 | 8.9 | 1.7 | 9.8 | 1.9 |
| 2 Town Center (De Anza) | 9.2 | 2.1 | 7.1 | 1.6 | 7.8 | 1.5 |
| 3 Stelling Rd. (Jollyman) | 7.3 | 1.3 | 5.1 | 1.0 | 5.1 | 1.0 |
| 4 Miller Ave. (Bollinger) | 7.7 | 1.4 | 5.5 | 1.1 | 5.9 | 1.2 |
| 5 Homestead (Tantau) | 9.3 | 1.6 | 7.2 | 1.3 | 7.0 | 1.4 |
| 6 Valico West (Wheaton Drive) | 9.6 | 1.3 | 6.9 | 0.9 | 7.3 | 1.0 |
| 7 Tantau Ave. (Hyde Jr. HS) | 7.4 | 0.9 | 5.1 | 0.7 | 5.2 | 0.6 |
| 8 Blanney Ave. (John Dr.) | 6.7 | 0.9 | 4.4 | 0.6 | 4.9 | 0.7 |

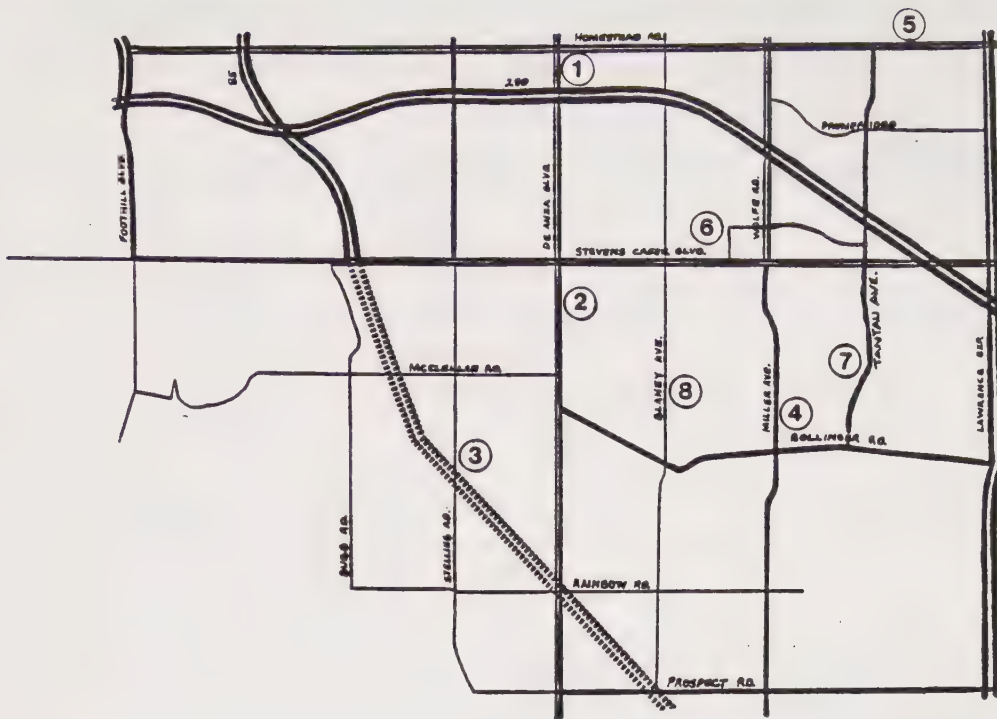
NOTES: 1. See Exhibit , project area map with receptor areas identified.

2. See Exhibit , listing of major street segments and their ID numbers.

3. Ambient Air Quality Standards for CO are 35 ppm for peak hour conditions and 9 ppm for continuous 8-hour average.

FIGURE 11

NOISE EVALUATION



CUPERTINO GENERAL PLAN AMENDMENT
Potential Noise Impacts at Representative Locations
(Peak hour Leq noise level - dba at 50 feet)

| Location | Present Case | Change in Noise Level | |
|----------------------------------|--------------|--------------------------|--------------------|
| | | 1979 General Plan (1990) | Adopted GPA (1990) |
| 1. Mariani (De Anza) | 67 | +2 | +2 |
| 2. Town Center (De Anza) | 67 | +2 | +2 |
| 3. Stelling Road. (Jollyman) | 68 | +1 | -2 |
| 4. Miller Avenue (Bollinger) | 67 | +1 | +1 |
| 5. Homestead Road (E. of Tantau) | 67 | - | +1 |
| 6. Vallco West (Wheaton Drive) | 54 | - | - |
| 7. Tantau Avenue (Hyde Jr. H.S.) | 61 | - | - |
| 8. Blaney Avenue (John Drive) | 63 | - | - |

TABLE 4
CITY OF CUPERTINO
COMPARISON OF OPERATIONAL ENERGY DEMAND
FOR GROWTH ALTERNATIVES BY ENERGY USE SECTORS
BTUs X 10⁹

| Year | Residential | Commercial | Industrial | Transportation | Total |
|---------------------|-------------|------------|------------|----------------|--------|
| 1980 | 1,303 | 625 | 827 | 7,006 | 9,760 |
| 1990 Base Tier | 1,250 | 852 | 1,097 | 6,056 | 9,260 |
| 1990 Second Tier | 1,250 | 1,169 | 1,134 | 6,538 | 10,090 |

Figure 13 illustrates several key concepts. First, and most important, is that transportation is the primary area of energy demand and that, secondly, it is possible to reduce energy demand through conservation measures. Table 5 describes the savings in energy that could be achieved under the Existing Plan (1990 Base Plan) and the 1990 Preliminary Plan (Second Tier). The energy impact assessment is appended to the Second Phase report for those who wish to evaluate energy issues at a greater depth.

Flora and Fauna

The Existing Plan was assessed fully in 1979 in terms of the effective growth on flora and fauna. The proposed development increases embodied in the General Plan Amendment for Town Center and Vallco Park will have an insignificant effect upon plant and animal species. The greater intensity may even permit the use of below grade parking structures and taller buildings which could, in the final analysis, result in an equal to or greater amount of landscaping space which could serve as a habitat for animals which have adapted to an urban environment. There are not endangered species within the Urban Service Area.

ENVIRONMENTAL RESOURCES SUMMARY TABLE

| | <u>EXISTING PLAN(REV.)</u> | <u>PRELIMINARY PLAN</u> |
|-------------|---|--|
| Air Quality | Carbon Monoxide concentrations less than 1983 values due to turnover of vehicle mix to more vehicles with more effective air pollution equipment. | Same finding as Existing Plan case except that that increased traffic growth increases CO particularly along De Anza Blvd, |

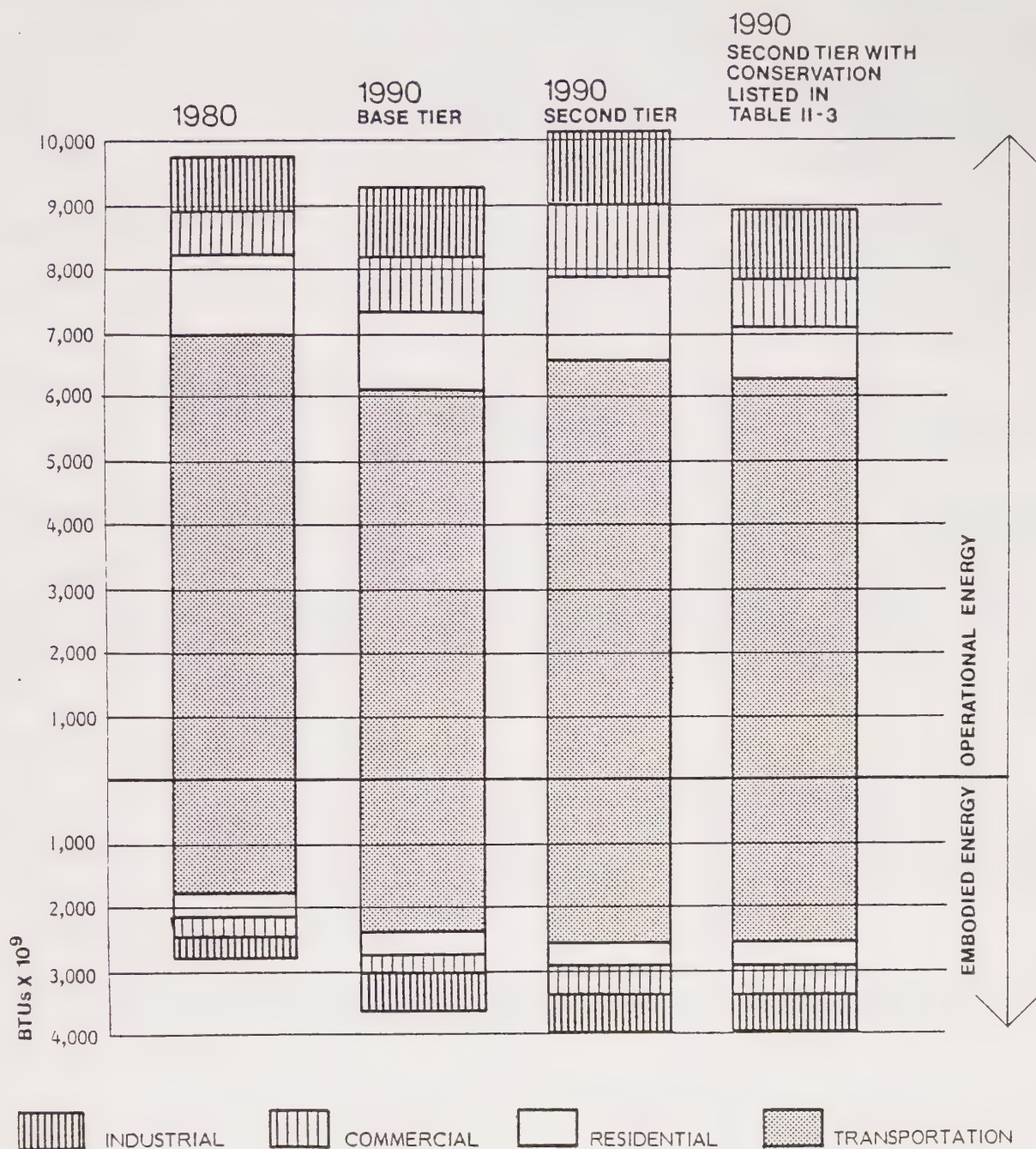
TABLE 5

CITY OF CUPERTINO COMPARISON OF ALTERNATIVE ENERGY CONSERVATION MEASURES

| | Total Delivered Energy Saved Under 1990 Base Tier Development Plan | | Total Delivered Energy Saved Under Second Tier Development Plan | |
|---|---|----------------------------------|--|----------------------------------|
| | <u>%</u> | <u>BTUs x 10⁹</u> | <u>%</u> | <u>BTUs x 10⁹</u> |
| <u>Residential</u> | | | | |
| (1) Solar hot water heater (applies to all new and existing units) | 3% | 236 | 2%* | 236 |
| (2) Solar hot water heater (applies to all new units) | <1% | 40 | <1% | 40 |
| (3) Increased density (new SFD changed to MFD) | 1% | 105 | 1%* | 105 |
| (4) Increased conservation standards beyond Title 24 | 3% | 247 | 2%* | 247 |
| (5) Passive solar heating/cooling (applied to all new units) | <1% | 45 | <1%* | 45 |
| <u>Commercial</u> | | | | |
| (6) Conservation package applied to all new construction beyond Title 24 See text for description of package | 3% | 321 | 5% | 491 |
| <u>Industrial</u> | | | | |
| None | - | - | - | - |
| <u>Transportation</u> | | | | |
| (7) Increased carpooling (up from 20% to 50% of those commuting by auto) | 3% | 256 | 3% | 273 |
| Maximum Feasible Savings with combination of conservation measures | 8%-12% | 900-1,200 | 10%-14% | 1,100-14,00 |

* The second tier growth plan does not include any additional residential units beyond those in the base tier plan. the actual saving in BTUs for the residential sector conservation measures would be the same for both the base tier and second tier plans but the percentage savings goes down in the second tier plan due to the overall rise in energy consumption from that plan.

FIGURE 13: CITY OF CUPERTINO CITYWIDE ANNUAL DELIVERED ENERGY USE BY END USE SECTOR



ENVIRONMENTAL RESOURCES SUMMARY TABLE (continued)

| | <u>EXISTING PLAN (REV.)</u> | <u>PRELIMINARY PLAN</u> |
|-----------------|--|---|
| Noise Levels | The Leq for the peak traffic hour (value closely approximates a L ₁₀ value) generally indicates that the City's LDN 24 hr. aver. value) standard of 65 Dba for single-family exterior space will not be exceeded. | The traffic increases resulting from the land use growth increases is not significant enough to change values. The reduced value for the Stelling Rd. receptor site reflects the proposed traffic reduction plan. |
| Energy | Operational energy will decrease due to more fuel efficient transportation fleet. | Energy use rises above 1980 base level primarily due to additional vehicle miles traveled for new workers. |
| Flora and Fauna | Plan will not have significant effect upon animals and plants. | Plan will not have significant effect upon animals and plants. |

Possible Adverse Economic, Social and Environmental Impacts and Mitigation Measures

As a general rule, the alternative growth plans will have little measurable affect upon the environment in terms of air quality, increased noise level, energy and flora and fauna. However, the City does have an opportunity to impose development conditions of approval which could result in accumulative benefit to the community.

Possible Environmental Impact

Both the Existing and the Preliminary Plan perpetuate the suburban form of development which is built around the use of the private automobile. Increased vehicle miles traveled creates air pollution (although at a lower rate because of better equipped vehicles) produces noise pollution and it utilizes energy.

Possible Mitigation Measures

1. Implement transportation related mitigation measures listed on Pages 12 and 13 and the additional transportation related measures listed below:
 - a. Provide preferential parking for commuter car pools and van pools.
 - b. Develop more extensive and safe bicycle path systems, and secure storage facilities, to serve non-recreational trips.
 - c. Decrease local agency parking space requirements for employers who encourage car pooling and van pooling.
 - d. Support flex time work policies among employers to reduce peak hour congestion.
 - e. Discourage local approval of commercial drive-through facilities.
2. Initiate programs, when feasible to implement the mitigation measures identified on Table 5.

Short-Term Uses Versus Long-Term Productivity

The plan allows higher intensity uses on selected sites in the core area. The sites are located near major transportation corridors, and over the long-term, may encourage more efficient transportation systems. Such land uses are consistent with, and will enhance long-term community design objectives and fiscal objectives.

The plan will add traffic to the overall street system, but provide improvements to Cupertino's traffic system to mitigate long-term negative effects. In fact, the plan enhances long-term productivity by shifting commute traffic off already over-burdened residential collector streets.

The preliminary plan sets definite floor area ratio limits to ensure the cumulative impact of buildout does not exceed traffic projections. The cumulative effects of added traffic in terms of congestion, noise, and air quality is not expected to reach unacceptable levels.

Irreversible Environmental Changes

Development of the remaining undeveloped and under-developed parcels will eliminate present open space, some of which is being used for agricultural purposes. The physical characteristics of these sites will be altered and committed throughout the economic life of the new structures. The General Plan Amendment is retaining low intensity levels on most of the undeveloped parcels and committing only 67 acres within the urbanized core to higher forms of development. Therefore, the area of change from present development intensities is minimal.

The projects, if constructed, will consume some non-renewable resources and energy resources will be committed.

Growth Inducing Impacts

There will be some immediate and long-term growth inducing impacts resulting from build-out of the General Plan. Higher intensities at the 26 acre Town Center property and 42 acre Vallco Park parcels may precipitate demand for higher intensities nearby. Since the Plan restricts intensities near these sites within Cupertino, the growth inducing impacts may occur in the neighboring communities of Santa Clara, Sunnyvale, and San Jose.

Much of the housing required to serve the planned job growth is likely to locate in outlying areas of surrounding communities as most of the nearby land is developed.

The General Plan Amendment is not extending any new service lines (e.g. roads, sewers, water lines) into presently non-urbanized areas. The Plan instead proposes to lower the designation of some roadways and shift commute traffic to arterial roadways. Accordingly, there are no anticipated growth inducing impacts from extension of municipal services or facilities.

RELATIONSHIP OF GENERAL PLAN BACKGROUND REPORT/DEIR (PHASE I AND PHASE II) TO CONTENT REQUIREMENTS FOR AN EIR*

| <u>EIR Content Requirements</u> | | <u>Corresponding Page Number of the General Plan Amendment Background Report</u> | |
|---------------------------------|---|---|--------------------------------|
| Sec. | Title | Phase I | Phase II |
| 15141 | Description of Project | 1-1 through 1-15 | 1 |
| 15142 | Environmental Setting | 2-5 through 2-10 3-5 " 3- 6 4-4 " 4-14 5-1 " 5- 2 6-2 " 6- 5 6-7 6-10 6-12 6-15 | 1 through 2 |
| 15143 | Environmental Impact | | |
| | a. Effects | 2-13 through 2-31 3- 8 " 3-14 4-16 " 4-34 5-3 " 5-13 6-2 " 6- 7 6-9 " 6-18 7-2 | 3 through 33 |
| | c. Mitigation Measures | 2-28 through 2-30 3-14 " 2-23 4-35 " 4-42 5-13 " 5-14 6- 8 6-29 7-19 | 5 7 12 17 22 33 |
| | d. Alternatives to the Project | 1-6 through 1-14 | 1 |
| | e. Short-term use vs. long-term productivity | | 34 |
| | f. Significant Irreversible Changes | | 34 |
| | g. Growth Inducing Impacts | | 34 |

* The General Plan Amendment Background Report/DEIR summarizes the conclusions of six technical appendices listed below:

- a. Community Design and Appearance
- b. Traffic
- c. Economic Analysis
- d. Air Quality
- e. Noise Impacts
- f. Energy Impacts

These appendices also evaluate the effects of the proposed General Plan Amendment and suggest mitigation measures. These documents should be referred to for a more detailed evaluation.

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Fiscal Input/Transportation
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Publication
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Duplication

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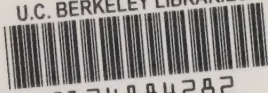
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Evaluation of Traffic Model

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